

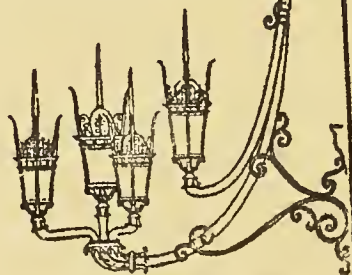
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# *City of Boston*

*Massachusetts*

## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 1996*

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# *City of Boston*

*Massachusetts*

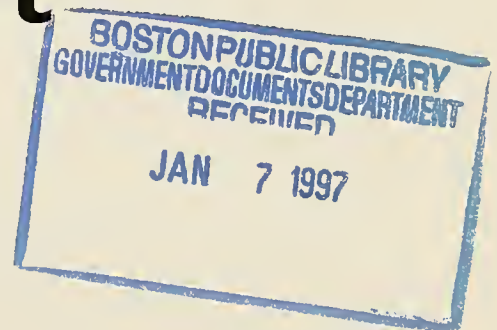
## **Comprehensive Annual Financial Report**

*For the Fiscal Year Ended June 30, 1996*

*Thomas M. Menino, Mayor*

*Edward J. Collins, Jr., Chief Financial Officer*

*Sally D. Glora, City Auditor*



*Prepared by the City of Boston Auditing Department*





*Photographs provided by Boston Landmarks Commission, Office of Capital Budgeting and the Public Facilities Department*

*Cover and divider production by the City of Boston Graphic Arts Department*



**City of Boston, Massachusetts**  
**Comprehensive Annual Financial Report**  
For the Fiscal Year Ended June 30, 1996

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# INTRODUCTORY SECTION







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**Auditing Department**

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Boston • Massachusetts 02201  
(617) 635-4671 • Fax: 635-4339  
December 13, 1996

***The Honorable Mayor and  
Members of the City Council:***

We are pleased to submit to you the Comprehensive Annual Financial Report (CAFR) of the City of Boston for the fiscal year ended June 30, 1996. The accuracy of the financial statements together with the completeness and fairness of their presentation are the responsibility of the City's management. The enclosed data are accurate in all material respects and, all disclosures necessary have been included to present fairly the financial position of the City. The financial position and results of operations of the various funds and account groups have been prepared in accordance with generally accepted accounting principles (GAAP), as established by the Governmental Accounting Standards Board (GASB). The requirements of state finance law of the Commonwealth of Massachusetts and the City Charter have also been satisfied.

The report is presented in three sections: (1) the Introductory Section includes general information about the City and summarizes financial activity for the fiscal year; (2) the Financial Section includes the Independent Auditors' Report on the City's general purpose financial statements, the General Purpose Financial Statements and the Combining and Individual Fund Financial Statements and Schedules for the various funds and account groups; and (3) the Statistical Section includes financial data, debt computations, and a variety of demographic, economic and supplemental statistical information concerning the City.

In addition to all funds and account groups of the City, the report includes component units included in the City's reporting entity because of the significance of their operational or financial relationship with the City as required by GASB #14. The following component units are included in the General Purpose Financial Statements: Boston Redevelopment Authority, Trustees of Health and Hospitals, Inc., Economic Development Industrial Corporation, State-Boston Retirement System and Trustees of the Boston Public Libraries.

The Commonwealth of Massachusetts, through Chapter 190 of the Acts of 1982, requires that the City undergo an annual audit performed by a firm of independent public accountants. The City has selected the firm of KPMG Peat Marwick LLP to perform the June 30, 1996 audit. This audit is conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. The audit provides an independent review to help assure a fair presentation of the City's financial position and results of operations.

The City also undergoes an annual audit of its Federal grant funds as required by the Single Audit Act of 1984. KPMG Peat Marwick LLP issues separate reports on the City's internal control systems and compliance with applicable laws and regulations that meet the requirements of the Single Audit Act and Office of Management and Budget Circular A-128.

Thomas M. Menino, Mayor  
Sally D. Glora, City Auditor

## Economic Conditions and Outlook

The City of Boston is the economic hub of both the Commonwealth of Massachusetts and the New England region. It is a center for professional, business, financial, higher education and medical services as well as transportation, communication, export, cultural and entertainment activities. Boston is also the state capital and the host to several federal agency offices. High technology, tourism, research and development, manufacturing, wholesale and retail distribution also contribute to the economy of the City and its suburbs.

The current status of the Boston economy is one of an ongoing economic recovery following the 1988-1992 downturn. Economic trends for Boston are positive, with increasing employment, declining unemployment rates, continuing improvement in the office and hotel markets, and increased activity in residential real estate resulting in increased residential values. The job gain in the 1992-1995 period was the first real rise since the regional recession began in late 1988. Data indicate that between August 1995 and August 1996 employment in the metropolitan area increased by 1.3% and the number of employed Boston residents rose 1.2%. In August 1996 Boston's unemployment rate was 4.4%, which is significantly lower than the recessionary high of 9.2% reached over five years ago in June 1991.

According to the CB Commercial Office Vacancy Index, Boston ranked third among the top twenty downtown office markets in the nation, and number one on the east coast when measuring vacancy rates in office space. At year-end 1994 the vacancy rate for downtown Boston, as reported by CB Commercial, was 10.4%. By March 1996, the vacancy rate was reported at 9.9%. These declining rates were due to notable improvement in absorption during this period without any major additions to supply. Currently there are several projects scheduled for completion in the 1997-1999 time period, the largest of which is a 600,000 square foot rehabilitation of 28 State Street. In addition, there are three new buildings and two major rehabilitation projects currently in the review process.

Boston's hotel market continues to be one of the nation's best. Boston enjoyed occupancy rates of 77.1% in 1994 and 77.7% for 1995 with an average room rate of \$134 per night. Since late 1995, four hotel projects, scheduled to add approximately 700 rooms to the City's hotel room stock, have emerged. The largest project, a new 429-room hotel to be located across from the World Trade Center at Commonwealth Pier, began construction in November 1995. Currently there are six other hotel projects that are in the planning stages; these may begin construction over the next several years. Clearly, the performance of the hotel market as exemplified by strong occupancy and room rates has stimulated a great deal of development activity in the hotel market.

The outlook for the economy continues to be positive. Investment by the private sector was estimated to be over \$1.38 billion for active construction projects in FY96. Together with several large public sector projects, which will improve the infrastructure of the City, these investments serve as an indicator that the economy is poised for continued growth.



For the balance of the 1990's, the Boston metropolitan area will continue to be the site of several major public sector projects. The depression of the Central Artery, the construction of a four-lane tunnel under Boston Harbor leading to the airport, and several other smaller transportation projects are estimated to cost over \$8 billion. Phase One of the Central Artery project, the Third Harbor Tunnel, recently named the Ted Williams Tunnel, has been completed while the remainder of the project is expected to take another 6 to 8 years to complete. In addition, the Massachusetts Water Resources Authority is constructing one of the largest wastewater treatment facilities in the nation and the Massachusetts Port Authority has started a modernization project of Logan Airport to update its aging terminals, improve traffic circulation within the airport, and centralize parking.

All of these major infrastructure projects increase development investment, resident jobs and wages, and spin-off spending throughout the local economy. In addition, these large public projects, by providing new and improved transportation and water treatment facilities, lay the groundwork for enlarged capacity which will provide for more private sector development into the 21st century.

## Major Initiatives

Thomas M. Menino was elected Mayor in November 1993 to serve a four-year term which will end in January 1998. Prior to his election, Mayor Menino served for approximately four months as acting Mayor when Raymond L. Flynn was appointed the United States Ambassador to the Vatican. As a result of the Mayor's involvement with new public-private partnerships, initiatives in education, health care and other municipal services are advancing. In January 1996, Mayor Menino delivered his State of the City Address from the Jeremiah E. Burke High School to emphasize his commitment to improving the quality of public education in Boston. Mayor Menino has asked to be judged based upon his ability to implement the specific reforms his administration has outlined. There are four major areas of reform: 1) capital investment in school facilities, libraries and community centers; 2) computer technology in every City classroom; 3) higher standards for students in the key curriculum areas of writing, reading and math; and 4) extended day programs featuring tutoring, homework help, enrichment activities and recreation.

The Boston School Committee consists of seven members appointed by the Mayor. This form of school governance was reaffirmed by the voters of Boston by defeat of a referendum question on the November 1996 ballot. In July 1995, the Boston School Committee named Thomas W. Payzant Superintendent of the Boston Public Schools. Dr. Payzant's four year term as Superintendent commenced in October 1995. Prior to his appointment, Dr. Payzant served as the Assistant Secretary of Education for Elementary and Secondary Education, United States Department of Education. Prior to that he served as Superintendent of the San Diego Public Schools for 10 years. One of the Mayor's key educational initiatives is "*A Boston Action Plan for Improving Access to College.*" This plan involves the cooperative efforts of the presidents of Boston's 28 colleges and universities and the Boston Public Schools. This program will guarantee graduates of the Boston public high schools, who maintain a B average and are accepted to a Boston area college, financial assistance to continue their education.

A major health care initiative was the consolidation of the operations of the City's two hospitals, Boston City Hospital (BCH) and Boston Specialty and Rehabilitation Hospital (BSRH), with the operation of the Boston University Medical Center Hospital. The new entity, Boston Medical Center (BMC), is a private, non-profit Massachusetts corporation which is governed by a thirty-member board of trustees. Along with the consolidation, the City's Department of Health and Hospitals and the separately chartered Trustees of Health and Hospitals, Inc. were abolished and all assets, liabilities, rights and powers of both were transferred to and assumed by the newly created Boston Public Health Commission (Commission).

The mission of the new medical center, in partnership with the Commission, Boston HealthNet and other community-based providers, is to provide consistently excellent and accessible health care services to all in need of care, regardless of status or ability to pay. In recognizing the historic mission and commitment of BCH to the public health needs of all residents of the City of Boston, the new medical center will have a continued commitment to the urban population, to vulnerable populations within the City, including those residents of the City who are underserved by existing health care services, and to other communities served.

The Commission was established as a body politic and corporate and political subdivision of the Commonwealth, as a successor to the City's Department of Health and Hospitals, in order to better administer, enhance and expand the public health services provided by the City. The City's new public health care system consists of a network of health care providers joining the City's traditional public health services and facilities with private hospitals, community health centers and other associated community based organizations and providers.

While the City no longer has operational or day-to-day financial responsibility for BCH or BSRH, the agreements between the City, the Commission, and BMC effecting the consolidation of the hospitals provide for fixed operating assistance and capital grants from the City to BMC to support hospital operations on the former BCH campus for a fixed number of years. It is also anticipated that the Boston Public Health Commission will require continuing financial support from the City to maintain its public health programs.

The on-going revitalization of Boston's neighborhoods to strengthen and enhance their economic and social well-being is a top priority of Boston's Five-Year Capital Plan (1997-2001) entitled *Getting the Job Done*. This year's plan adds 113 new projects to the five-year horizon. There are now 463 projects in the plan, with an overall authorization of over \$1 billion. The underlying framework for the plan continues to emphasize: (1) the strategic use of infrastructure to promote economic development, neighborhood revitalization, quality education and health care, and public safety; (2) comprehensive planning to lay the foundation for future growth; and (3) effective government management to provide leadership and vision.

## **CURRENT PROJECTS**

The 1997 Capital Plan includes priority projects ranging from improvements to revitalize Boston's neighborhoods and renovations of thoroughfares, boulevards, bridges, and public squares to plans for establishing the schools, libraries and community centers as learning centers for all. Major themes are reflected in the areas highlighted.



- Economic Development - Through a partnership between the City of Boston and the Federal Government, \$25 million in Federal funding and \$35 million in flexible bank capital will be available to an Enhanced Enterprise Community (EEC). A Community Advisory Board is working to ensure that these funds are allocated to achieve optimal results in the targeted EEC area. The City of Boston and the Massachusetts Port Authority are developing a comprehensive economic plan for the Port of Boston. *The Seaport Economic Development Plan* will be used to develop strategies to further invigorate Boston's waterfront. The *Boston Main Streets Program*, a \$4.2 million private/public partnership between the National Trust for Historic Preservation and the City, will provide an additional ten communities with funding for infrastructure improvements and technical assistance to help revitalize business districts and promote economic opportunity.
- Public Safety - Citywide safety initiatives such as the Neighborhood Policing Initiative are supported in this year's Capital Plan. Construction of the new Police Headquarters in Roxbury's Southwest Corridor continues and is expected to be completed by May 1997. Phase II of the Computer-Aided-Dispatch (CAD) system was implemented in FY96. The CAD enables the department to respond more effectively to emergency calls through the use of a computerized database. Over 300 mobile data terminals have now been linked to CAD, allowing police officers to respond primarily to calls within their assigned districts. Also, new police stations are planned for three of Boston's neighborhoods. These two projects exemplify the administration's support for the implementation of neighborhood policing. This year's Capital Plan also supports the ongoing efforts of the Boston Fire Department to upgrade its neighborhood fire facilities and to maintain the quality and reliability of the City's fire equipment. Extensive updates are planned for several firehouses including roof repairs, asbestos removal, new flooring, masonry, and electrical system upgrades. The City's Strategic Replacement Plan for Boston's Fire-Fighting Apparatus is an ongoing plan to replace aging equipment.
- Public Education - *The Community Learning Centers Blue Ribbon Commission* has developed a master plan for building a new educational foundation to take Boston Public Schools into the twenty-first century. In 1996, construction began on two Early Learning Centers and a third will begin construction in 1997 - the first of the Commission's priority projects to be initiated, at a cost of nearly \$28 million. The Schoolyards Initiative contains plans to renovate school yards, creating open space that may be used for creative learning and play by both students and community residents. The public library system in Boston is a network of 25 neighborhood branch libraries, the central library, the Kirstein business branch, and a service building in Charlestown. Improvements to neighborhood libraries, new facilities in Allston and Hyde Park, and continued restoration of the McKim Building at the central library are featured in the 1997 Capital Plan.
- Health and the Environment - Boston continues to maintain its commitment to quality health care facilities and public health programs. As part of the Consolidation Agreement between the City and Boston University Medical Center Hospital, the City will provide a capital contribution to the Boston Medical Center to defray a portion of the cost of capital improvements and capital needs relating to the activities conducted at the former Boston City Hospital campus which is leased by the Commission to the Boston Medical Center. This contribution will be \$25 million over the next four years. The City's strong commitment to



environmental issues is evidenced by the establishment of an Environmental Services Cabinet -- the first in the nation. As the result of the Urban Land Acquisition Conference (February 1996), the City has allocated its first installment of \$250,000 towards a five-year, \$1.25 million open space acquisition fund. This is the first project of this nature to receive capital funding. The City hopes to leverage its investment with funds from the State and other entities to increase buying power.

- Government Effectiveness - The Capital Plan outlines capital improvements, technological advances, and equipment for maintenance programs that will result in improved safety conditions, decreased operating costs, and ultimately a better municipal service delivery system. Management and Information Services (MIS) continues to add City departments, outside agencies, and the public to its computer network infrastructure. The network adds a new dimension to the City's ability to process information, serve the public and increase capacity and effectiveness Citywide.

### **FUTURE PROJECTS**

A project currently being considered is the construction of a convention center located on Summer Street near the Fort Point waterfront. The convention center would be funded by a combination of private sources and the Commonwealth of Massachusetts. Mayor Menino has pledged \$2.5 million in pre-development costs, to be matched by the State, to advance the project. The Mayor, the Governor, the Massachusetts Senate President, and the Massachusetts House Speaker have each appointed a representative to report on the optimum size of and financing options for this new facility.

Boston's neighborhoods, while maintaining strong identities, are becoming increasingly less insular. Throughout Boston, major thoroughfares connect the City's neighborhoods to each other and to the downtown and waterfront areas. Through the Boston Boulevard Project, numerous boulevards will be rehabilitated. The planned improvements will reshape and re-energize these thoroughfares, recreating graceful parkways connecting the City's neighborhoods as originally envisioned by Frederick Law Olmsted.

### **SERVICE ACCOMPLISHMENTS**

The Metropolitan Area Planning Council (MAPC), representing 101 cities and towns in eastern Massachusetts, awarded Boston Mayor Thomas M. Menino the Theodore Mann Regional Leadership Award in May 1996. The award recognizes outstanding community leadership by a local government official in the areas of regional, or intermunicipal, cooperation and public service. Presentation of the Mann Award to Mayor Menino followed the inauguration of the Regionalization Commission. The 13-member group, funded by the City of Boston and the Commonwealth, is the result of legislation filed by Mayor Menino last year to establish a legislative study commission to "examine the delivery of local government services in the Greater Boston area and make recommendations on intermunicipal cooperative opportunities to increase the efficiency, effectiveness and quality of such services, and the responsiveness of government to the public." The Regionalization Commission is authorized to explore avenues including regionalization, improved coordination of local government services, joint or cooperative agreements and the establishment of urban services districts in the Greater Boston area.

## Accounting System and Budgetary Control

The accounts of the City are organized on the basis of funds and account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise each fund's assets, liabilities, fund balance, revenues and expenses. An integrated computerized financial accounting system is maintained by the Auditing Department to record transactions within these accounts. The Auditing Department also maintains an encumbrance accounting system. This system accounts for the City's purchase orders, service orders and other contractual commitments. The City budgets and maintains its books and records on a statutory basis of accounting prescribed by the Commonwealth of Massachusetts. This basis of accounting differs from generally accepted accounting principles.

The City's management is responsible for establishing and maintaining internal accounting controls designed to provide reasonable, but not absolute, assurance that the assets of the City are safeguarded from loss, theft or misuse. In addition, the internal control structure reasonably assures that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. The City Auditor is responsible for evaluating the adequacy and effectiveness of the control structure, and a periodic evaluation of the control structure's effectiveness is conducted by the Auditing Department.

As a part of its internal control structure, the City maintains budgetary controls. The objective of these controls is to ensure compliance with the legally mandated budget adopted by the City Council. Activities of the General Fund are included in the annual budget. The budgets within the Special Revenue Fund are established based on specific grant requirements or specific legislation, but are not subject to City Council approval. The Capital budget reflects long-term needs financed primarily through issuance of bonds. This multi-year budget is subject to approval by the City Council. Specific budgets are established for each capital project prior to its inception.

The level of budgetary control is established by the function and activity within the individual fund. Budgetary control in this context means the level at which expenditures cannot legally exceed the appropriated amount. In the case of the General Fund, this control is at the department level. In the case of the Special Revenue and Capital Projects Funds, the control is at the grant or project levels respectively. All of these budgetary controls reside within the City's financial system and are monitored by the Office of Budget Management and the Auditing Department to ensure compliance.



The Single Audit Act of 1984 (PL 98-502) requires the City to have an independent audit conducted annually of the federal financial assistance it has received. This audit is conducted simultaneously with the City's annual financial statement audit.

A significant portion of the Single Audit work is devoted to evaluating the City's internal control structure. The evaluation includes tests of a significant number of individual federal grant transactions that occurred during the fiscal year. The Single Audit work also requires that the auditor determine whether the organization has complied with laws and regulations that may have a material effect on each of its major federal financial assistance program. All of the City's major federal programs (those programs with annual expenditures of more than \$3 million) and a sample of non-major programs are evaluated for the adequacy of internal controls and compliance with laws and regulations.

The City's Single Audit report for the year ending June 30, 1996 included no instances of material weaknesses in the internal control structure, nor were any significant violations of the applicable laws and regulations found. The report is publicly issued under a separate cover. In addition to the annual audit of the federal financial assistance programs, the City also identifies specific grants received from the State for compliance and internal control review by the external auditors.

## General Government Functions

The City of Boston, incorporated as a town in 1630 and as a city in 1822, now exists under Chapter 486 of the Acts of 1909 and Chapter 452 of the Acts of 1948 of the Commonwealth of Massachusetts which, as amended, constitute the City's Charter. Combining and individual fund and account group statements and schedules may be found in the Financial Section of this report. Presented in the following sections are selected financial data reported on a generally accepted accounting principles (GAAP) basis related to the operations of the General Fund, Special Revenue Funds, Capital Projects Funds, Enterprise Funds, Internal Service Fund as well as Trust and Agency Funds administered by the City.

### **GENERAL FUND**

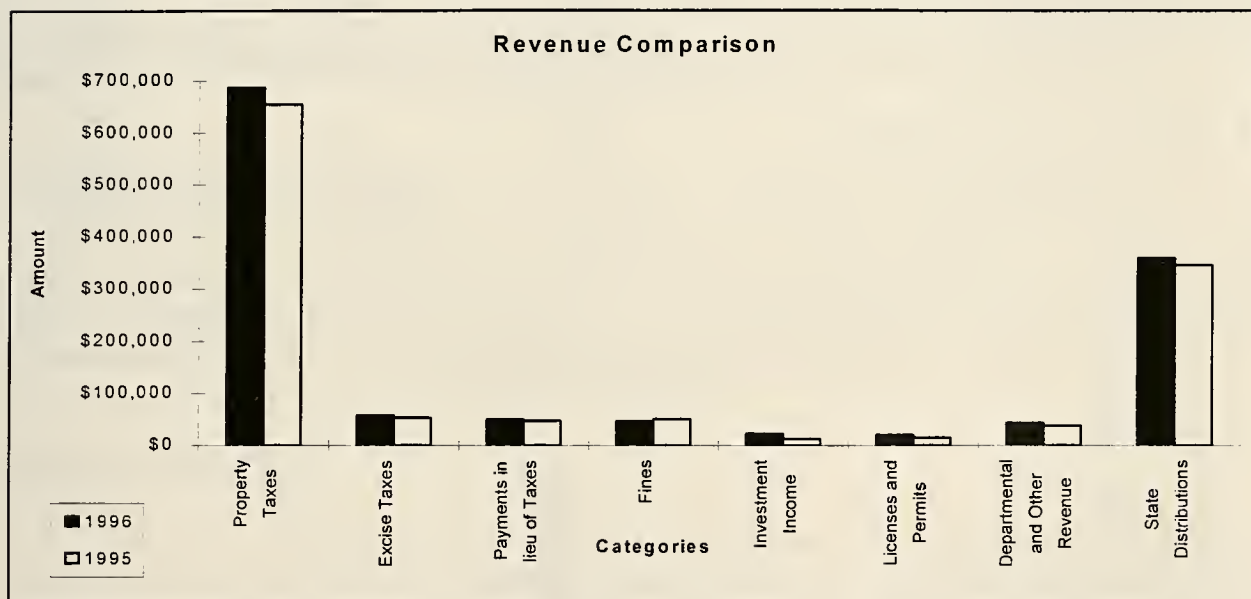
An undesignated fund balance of \$66.9 million was reported at June 30, 1996 as compared to \$89.6 million in 1995. The decrease is primarily due to the disposal of the Department of Health and Hospitals. The following schedules present a summary of General Fund revenues, expenditures, net other financing sources and discontinued operations along with the amount and percentage increase (decrease) in relation to the prior year:



# City of Boston, Massachusetts

## Comparative General Fund Revenues GAAP Basis (\$ Thousands)

Revenues:	1996	%	1995	%	Increase (Decrease)	%
Property Taxes	\$687,404	53.4	\$654,830	53.8	\$32,574	5.0
Excise Taxes	57,339	4.5	52,773	4.3	4,566	8.7
Payments in lieu of Taxes	49,540	3.8	47,729	3.9	1,811	3.8
Fines	47,373	3.7	50,086	4.1	(2,713)	(5.4)
Investment Income	22,925	1.8	13,010	1.1	9,915	76.2
Licenses and Permits	19,970	1.5	15,152	1.2	4,818	31.8
Departmental and Other Revenue	42,724	3.3	37,386	3.1	5,338	14.3
State Distributions	360,020	28.0	346,317	28.5	13,703	4.0
<b>Total Revenues</b>	<b>\$1,287,295</b>	<b>100.0%</b>	<b>\$1,217,283</b>	<b>100.0%</b>	<b>\$70,012</b>	<b>5.8%</b>

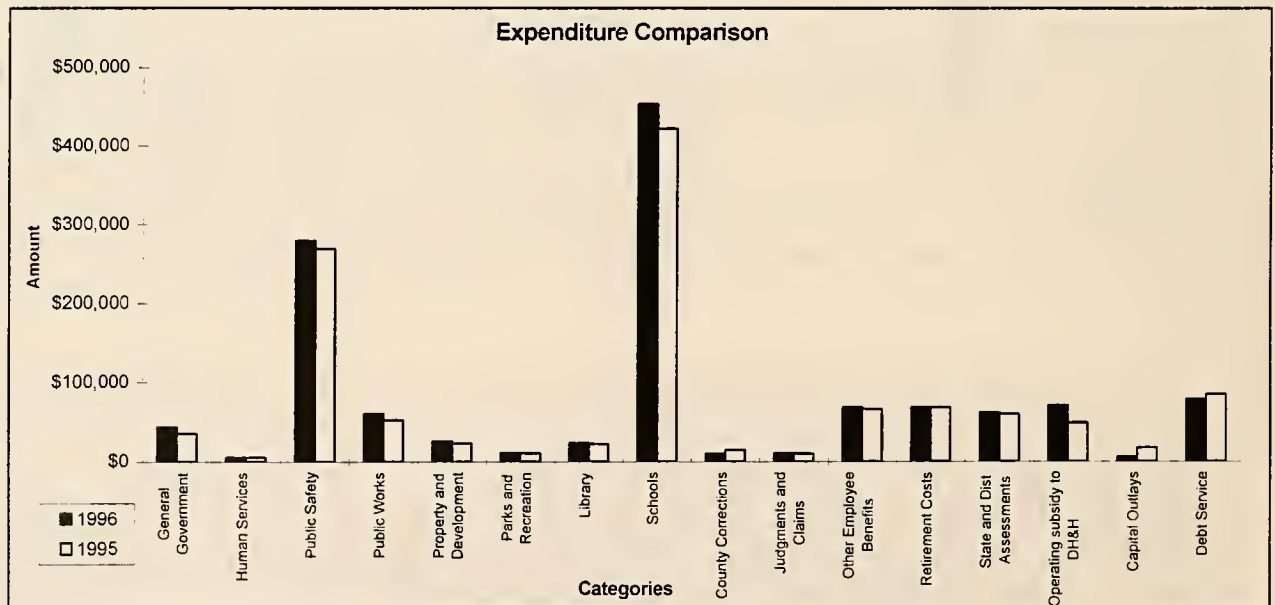


Total revenues for 1996 amounted to \$1.29 billion, an increase of \$70.0 million or 5.8% over 1995. Property tax revenues increased by \$32.6 million, due to an increase in assessed values and new growth. Distributions from the Commonwealth of Massachusetts increased by 4.0% (\$13.7 million) to \$360.0 million. Investment income showed a 76.2% increase (\$9.9 million) over the prior year mainly due to the availability of higher yields and greater investment balances. Licenses and Permits, and Departmental and Other Revenue also increased 31.8% and 14.3%, respectively, in 1996.

# City of Boston, Massachusetts

## Comparative General Fund Expenditures, Net Other Financing Sources and Discontinued Operations GAAP Basis (\$ Thousands)

Expenditures:	1996	%	1995	%	Increase (Decrease)	%
General Government	\$44,060	3.5	\$35,342	2.9	\$8,718	24.7
Human Services	5,062	0.4	5,296	0.4	(234)	(4.4)
Public Safety	279,098	21.9	269,189	22.3	9,909	3.7
Public Works	60,700	4.8	52,466	4.3	8,234	15.7
Property and Development	26,103	2.0	23,087	1.9	3,016	13.1
Parks and Recreation	10,700	0.8	10,406	0.9	294	2.8
Library	23,412	1.8	22,276	1.8	1,136	5.1
Schools	453,572	35.6	422,359	34.9	31,213	7.4
County Corrections	9,592	0.8	14,521	1.2	(4,929)	(33.9)
Judgments and Claims	9,872	0.8	9,486	0.8	386	4.1
Other Employee Benefits	67,989	5.3	66,348	5.5	1,641	2.5
Retirement Costs	68,068	5.3	68,230	5.6	(162)	(0.2)
State and Dist. Assessments	61,600	4.8	60,080	5.0	1,520	2.5
Operating subsidy to DH&H	70,786	5.6	49,137	4.1	21,649	44.1
Capital Outlays	5,613	0.4	17,401	1.4	(11,788)	(67.7)
Debt Service	78,527	6.2	84,222	7.0	(5,695)	(6.8)
Total Expenditures	\$1,274,754	100.0%	\$1,209,846	100.0%	\$64,908	5.4%
Other Financing Uses (Sources), Net:	(690)		(577)		(113)	19.6%
Discontinued Operations:	34,955		0		34,955	
Total Expenditures, Other Financing Uses and Discontinued Operations	\$1,309,019		\$1,209,269		\$99,750	8.2%



Expenditures for 1996 increased \$64.9 million (5.4%) over 1995. Spending for the School Department increased by \$31.2 million to \$453.6 million. Improvements to technology, accreditation issues, and increased enrollment in the school system contributed to the increase in school spending. Operating subsidies to the Department of Health and Hospitals increased \$21.6 million primarily due to increased operating expenditures related to the hospital merger. Public Safety spending increased \$9.9 million (3.7%) as additional police officers and firefighters were added to the City's forces. These increases were partially offset by a decrease of \$11.8 million (67.7%) to Capital Outlays, mainly due to a decrease in the Department of Health and Hospitals capital expenditures, and a decrease of \$4.9 million (33.9%) in County Corrections due to the State assuming a larger share in funding County operations. The loss of \$35.0 million from Discontinued Operations is one-time charges associated with the disposal of hospital operations. The areas of increased spending reflect the administration's priorities of improving education, enhancing community policing, and providing quality health care to all Boston residents.

### **SPECIAL REVENUE FUNDS**

The fund balance for the Special Revenue Funds decreased to \$89.8 million in 1996. Total revenues decreased by \$50.0 million to \$206.5 million and total expenditures increased by \$18.5 million to \$ 227.3 million for the period ending June 30, 1996.

### **CAPITAL PROJECT FUNDS**

Revenues for the Capital Project Funds increased by \$3.9 million to \$11.1 million for 1996. Expenditures increased by \$41.8 million to \$124.6 million for the period. The fund balance for the Capital Projects Fund decreased by \$34.0 million to \$48.4 million in 1996.

### **ENTERPRISE FUNDS**

The City's Enterprise Funds consist of the operations of the Department of Health and Hospitals (DHH), the Trustees of Health and Hospitals, Inc. (THH), and the Economic Development and Industrial Corporation (EDIC). Effective July 1, 1996, the operations of DHH and THH were discontinued and are accounted for as a disposal as of June 30, 1996 in the City's financial statements. Operating revenues for the Enterprise Funds in 1996 were \$6.8 million and expenses totaled \$20.0 million.

### **INTERNAL SERVICE FUND**

The Internal Service Fund was created in 1996 to account for the City's self insurance for health benefits provided by Blue Cross/Blue Shield for City employees, their dependents and retirees. These activities were previously accounted for in an Expendable Trust Fund. Operating revenues for the Internal Service Fund in 1996 were \$60.9 million and expenses totaled \$79.1 million. The fund deficit at June 30, 1996 including a transfer from the Expendable Trust Fund is \$20.4 million.



## **TRUST AND AGENCY FUNDS**

The Trust and Agency Funds are used to account for trustee and agency relationships that the City maintains with its employees, other governments (Federal and State), private corporations and individual donors and benefactors. The City's largest Trust Fund is the State-Boston Retirement System (SBRS). Information about this fund is included in the following section entitled "Pension Funds." The resources of the nonexpendable and expendable trust funds are used primarily to provide additional benefits to the City's residents and the City's employees. Resources from these funds are used for certain infrastructure improvements, purchase of equipment, scholarships for Boston Public School students, and jobs and affordable housing for the neediest residents of the City. The City also holds funds as an agent primarily for other governmental units. Most of the funds held within the agency funds are to provide for urban development and housing initiatives or an employee deferred compensation plan.

In aggregate, the trust funds had a total equity of \$1.95 billion at June 30, 1996, reflecting an increase of \$376.2 million over the balance of 1995. Employee retirement funds account for approximately \$1.83 billion of the total equity amount.

## **Debt Administration**

Direct debt of the City consists principally of the City's outstanding general obligation bonds. On June 30, 1996 the City had outstanding approximately \$566.7 million of long-term fixed interest rate general obligation bonds. All direct debt of the City requires the authorization of the City Council and approval of the Mayor. If the Mayor should veto a loan order passed by the City Council, the Charter of the City provides that the loan order is void and may not be passed over the Mayor's veto. The laws of the Commonwealth provide for a general debt limit for the City consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2 1/2% of the valuation of taxable property in the City as last equalized by the State Department of Revenue. The City may authorize debt up to this amount without State approval. The City is also indirectly liable for a portion of debt incurred by the Massachusetts Bay Transportation Authority (MBTA). Additional analysis of the City's debt position, located in the Statistical Section of this report, includes an assumed portion of the net debt of the MBTA based on the City's proportionate assessment for municipalities within the MBTA service area.

The City of Boston recently received an upgrade to "A1" from Moody's Investors Service for its assigned rating on general obligation bonds. The City's general obligation bonds are assigned a rating of "A+" from Standard & Poors Rating Group, Inc. These upgraded ratings are the highest ever received by the City of Boston and reflect confidence in City management to assume a manageable debt burden as well as continued strong financial performance by the City.

## Cash Management

The City's Collector-Treasurer uses pooled cash and investments for all eligible City funds. The goal of this pool is to maximize income while minimizing exposure and ensuring sufficient liquidity to meet the City's payment obligations. All City funds are pooled except for trust funds, certain grant funds, and bond proceeds. The investment of the funds not included in the pool are controlled by various trust agreements, grant regulations, and bond trustee agreements.

The Collector-Treasurer sets the City's investment policies. These policies are governed by portions of Massachusetts General Laws Chapters 29 and 41. The Commonwealth also has a list of approved securities and other investments that the City may use as part of its pool. These approved investments include: (1) securities that have been issued or unconditionally guaranteed by the U.S. government or its agencies with a maturity date of less than one year from the date of purchase; (2) demand, term, and certificates of deposit; (3) repurchase agreements that have a maturity of less than one year guaranteed with U.S. government or its agencies securities with a maturity of less than 90 days; and (4) bonds issued by other states. Additionally, demand, term, and certificates of deposit must be collateralized when they exceed certain levels. Generally, the City's investment policy centers around receiving a competitive yield for its investible cash and minimizing credit and market risks.

All investment earnings, with certain specific exceptions, are included in the General Fund's investment income account. During 1996 the average yield was 5.6% on the investible cash as compared to an average yield of 5.4% for 1995.

## Risk Management

The City established a Risk Management Council in 1992. The council continues to be charged with protecting the City's long-term financial, personnel and community goodwill assets from unexpected risks while also freeing current resources for service delivery. The Council accomplishes its goals by improving information sharing between departments to prioritize efforts, minimizing risks through incident prevention, minimizing costs of actual incidents while upholding responsibility to the claimant and funding risk to minimize the impact of unexpected costs.

The City is self insured in most areas of risk including general liability, property and casualty (except school buses and machinery losses up to \$1 million), workers' compensation, certain employee health care costs and unemployment compensation. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Except for certain health care costs, judgments and claims are charged to the general fund.



The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations (HMOs) and Blue Cross and Blue Shield of Massachusetts (BC/BS). BC/BS acts as a third party agent in the payment of the various claim plans used by the City. Costs incurred for the operation of the BC/BS plans are accounted for in an internal service fund. Costs to the City for the HMOs are accounted for in the general fund.

## Pension Funds

The City participates in a contributory retirement system, the State-Boston Retirement System (SBRS). The City is the largest member of SBRS, a cost-sharing multiple employer public employee system operated under Chapter 32 of the Massachusetts General Laws (MGL). The SBRS provides retirement, disability and death benefits to plan members and beneficiaries. Each participating employer's share of the total annual contribution is determined on the basis of active payroll.

In 1988 the SBRS system became a funding system in accordance with the Pension Reform Act (MGL Chapter 697). Prior to that, it had been a pay-as-you-go system. This change was further amended by MGL Chapter 450 in 1991. As a consequence the City committed itself to funding based upon a schedule approved by the SBRS and the State actuary, which includes paying the current year's estimated present value of benefits earned during the year (normal cost) and an annual contribution toward reducing the unfunded liability to zero by the year 2020. The schedule is subject to update and approval at least every three years by the Public Employer Retirement Administration, a State agency.

The City also operates the Boston Retirement System (BRS). BRS is the predecessor to SBRS and is open to employees and retirees of the City whose employment began prior to 1946. BRS was not subject to MGL Chapter 697 and is funded on a pay-as-you-go basis. The operations of BRS are not material to the City as a whole.

## Other Information and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Boston for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1995. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial reports.

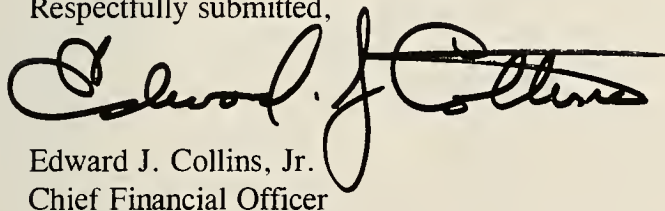
In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.



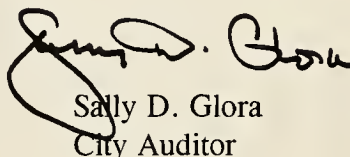
A Certificate of Achievement is valid for a period of one year only. The City of Boston received a Certificate of Achievement for the first time last year (fiscal year ended June 30, 1995). We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

We would like to express our appreciation to the staff of the Accounting and Financial Reporting Program and all the members of the Auditing Department staff whose professionalism and dedication made the timely preparation of the CAFR possible. We also wish to thank the professional staff of KPMG Peat Marwick LLP for their counsel, technical assistance, and encouragement in the preparation of this CAFR. Several other City departments and agencies provided additional information and assisted in the CAFR preparation. We gratefully acknowledge their efforts and contributions to this report. Finally, we wish to thank you for your continued interest in the financial operations of the City, and for the planning and support necessary to conduct the City's financial operations in a responsible manner.

Respectfully submitted,



Edward J. Collins, Jr.  
Chief Financial Officer



Sally D. Glora  
City Auditor

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boston,  
Massachusetts

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1995

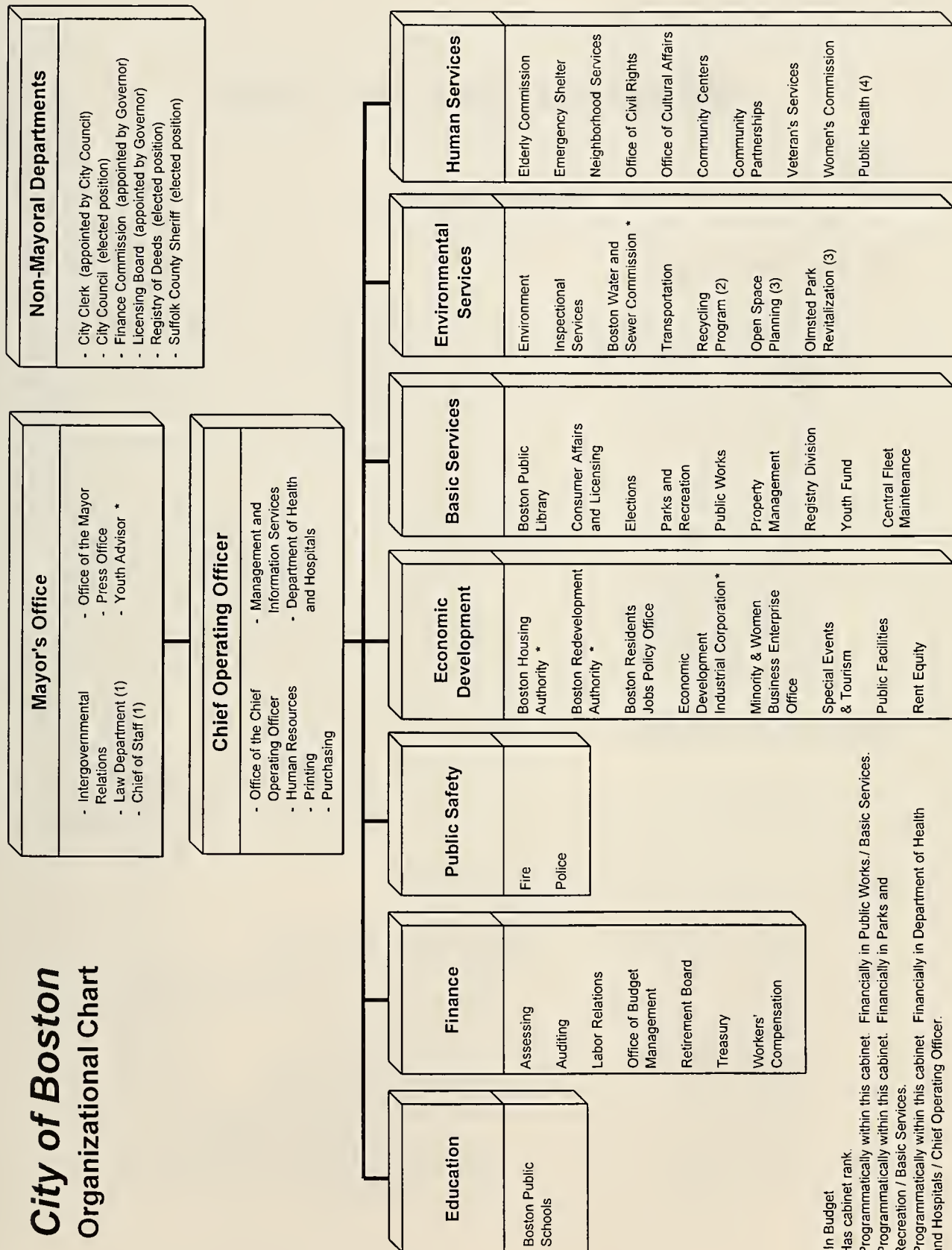
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Arthur R. Lynch*  
President

*Jeffrey L. Esser*  
Executive Director

# City of Boston Organizational Chart



\*Not In Budget

(1) Has cabinet rank.

(2) Programatically within this cabinet. Financially in Public Works./ Basic Services.

(3) Programatically within this cabinet. Financially in Parks and Recreation / Basic Services.

(4) Programatically within this cabinet. Financially in Department of Health and Hospitals / Chief Operating Officer.



## Elected and Appointed Officials

### *Mayor*

Thomas M. Menino

### *City Council Members*

James M. Kelly (President).....	District 2
Margaret E. Davis-Mullen .....	At-Large
Richard P. Iannella.....	At-Large
Albert L. O'Neil.....	At-Large
Francis M. Roache .....	At-Large
Diane J. Modica .....	District 1
Maureen E. Feeney .....	District 3
Charles C. Yancey .....	District 4
Daniel F. Conley .....	District 5
Maura A. Hennigan.....	District 6
Gareth R. Saunders .....	District 7
Thomas M. Keane.....	District 8
Brian J. Honan .....	District 9

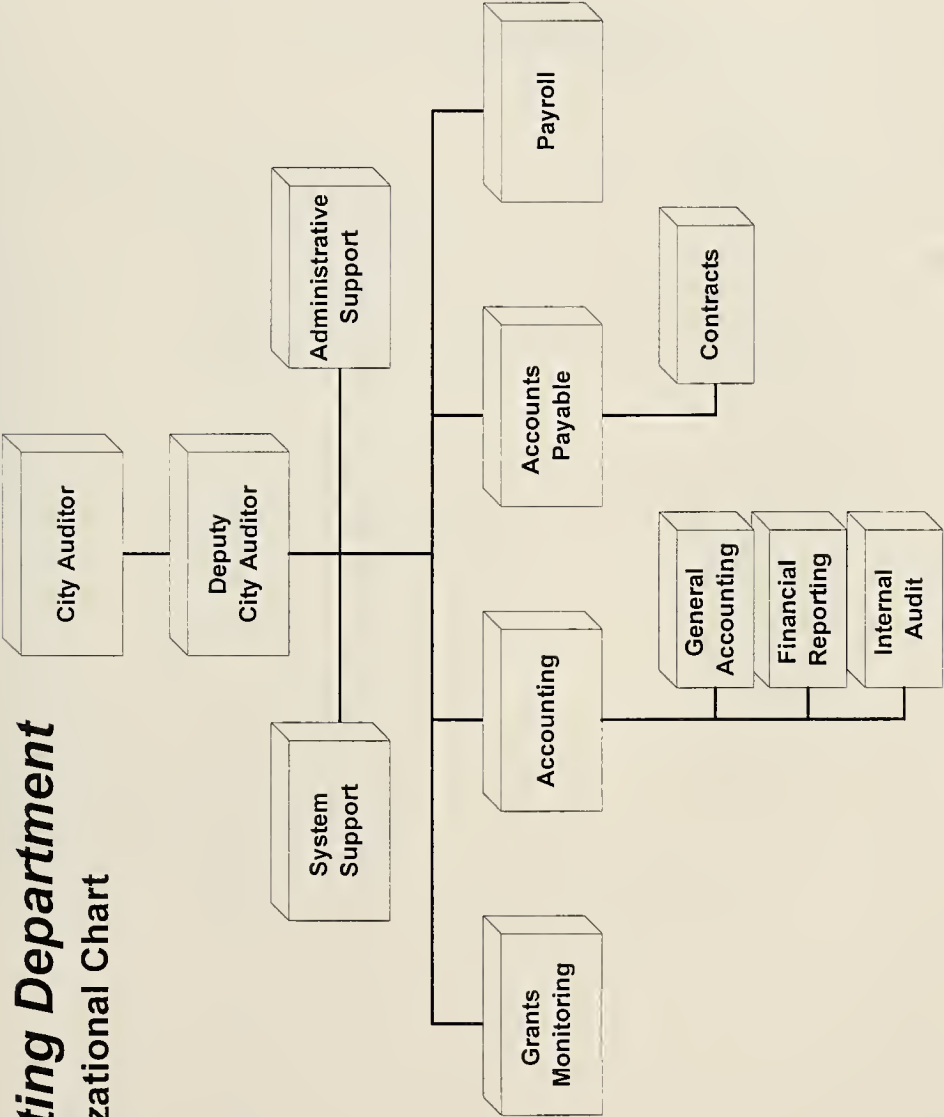
### *Suffolk County Officials*

Robert Rufo.....	Sheriff
Paul Tierney .....	Registrar of Deeds

### *Appointed City Executive Branch Members*

Dennis A. DiMarzio.....	Chief Operating Officer
Edward J. Collins, Jr. ....	Chief Financial Officer and Collector-Treasurer
Marisa Lago .....	Chief Economic Development Officer
Thomas W. Payzant .....	Chief of Education
Juanita Brooks-Wade .....	Chief of Human Services
Michael Galvin.....	Chief of Basics Services
Cathleen Douglas-Stone.....	Chief of Environmental Services
Paul E. Evans .....	Chief of Public Safety (Police Department)
Martin E. Pierce, Jr. ....	Chief of Public Safety (Fire Department)
Merita A. Hopkins .....	Corporation Counsel

***Auditing Department***  
Organizational Chart



## **Auditing Department Personnel**

Sally D. Glora, City Auditor

Magnolia Amador  
Sik T. Ang  
Martha C. Ayure  
Dolores A. Basile  
Allan M. Brodsky  
Daryl E. Byers  
Elvira Carnazzo  
Chiu-Lan Cheng  
Mary Ann Creedon  
Dennis J. Coughlin  
Mary J. Falzarano  
Coleman G. Flaherty  
Carlson R. Hinds  
Lillian B. Laurano  
Teresa A. Lynch  
Mary C. Mauillo  
Sheila A. McGonagle

Carolyn Michelman  
Julie A. Monroe  
Nelly Montes  
David P. Nero  
Janet O'Brien  
Christine M. Opila  
Thomas J. Pitts  
Jennette M. Prosser  
Mary L. Raysor  
Charles H. Rigg  
Stephen L. Roberts  
Alfred M. Russo  
Ming C. Su  
Genesis Phan Tan  
Richard Thompson  
Stanley J. Wallace  
Paul F. Waple



The background of the page features a faint, artistic illustration. It depicts the USS Constitution, a three-masted sailing ship, sailing on the water. In the background, the Boston skyline is visible, including the dome of the Massachusetts State House. The entire scene is rendered in a light, sketchy style with a warm, yellowish-tan color palette.

# FINANCIAL SECTION

This section is comprised of the independent auditor's report, general purpose financial statements, the combining and comparative fund statements, and required supplementary information.



Independent Auditors' Report

The Honorable Mayor and City Council of the  
City of Boston, Massachusetts:

We have audited the general purpose financial statements of the City of Boston, Massachusetts, as of and for the year ended June 30, 1996, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of certain entities and accounts that aggregate the following percentages of total assets and revenues of the respective fund types:

<u>Fund Type</u>	<u>Percentage of</u>	
	<u>Total assets</u>	<u>Total revenues</u>
Enterprise	100%	100%
Trust and Agency	6	6

Those statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for those entities and accounts, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Boston, Massachusetts, as of June 30, 1996, and the results of its operations and the cash flows of its proprietary and similar trust fund types for the year then ended, in conformity with generally accepted accounting principles.

As discussed in note 8 to the general purpose financial statements, the City's retirement system changed its method of accounting for employer contributions from cash to accrual.



The Honorable Mayor and City Council of the  
City of Boston, Massachusetts:

The historical pension information on page 35 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation to the supplementary information. However, we did not audit the information and express no opinion on it.

We did not audit the introductory and statistical sections as listed in the table of contents and therefore express no opinion thereon.

In accordance with *Government Auditing Standards*, we have also issued separate reports dated November 29, 1996 on our consideration of the City's internal control structure and on its compliance with laws and regulations.

KPMG Peat Marwick LLP

November 29, 1996

# CITY OF BOSTON, MASSACHUSETTS

## Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1996  
(in thousands)

	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
<u>Assets</u>									
Cash and investments (note 3)	\$ 253,935	111,978	66,208	5,249	-	1,873,213	-	-	2,310,583
Restricted cash and investments (note 3)	-	18,448	-	1,139	-	130,283	-	-	149,870
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):									
Property taxes	106,762	-	-	-	-	-	-	-	106,762
Motor vehicle excise	7,280	-	-	-	-	-	-	-	7,280
Intergovernmental	35,000	20,364	80	3,708	-	9,614	-	-	68,766
Departmental and other	6,213	16,390	-	11,093	1,549	86,108	-	-	121,353
Total receivables	<u>155,255</u>	<u>36,754</u>	<u>80</u>	<u>14,801</u>	<u>1,549</u>	<u>95,722</u>	<u>-</u>	<u>-</u>	<u>304,161</u>
Due from other funds (note 6)	10,429	34	-	-	838	59,342	-	-	70,643
Other assets	-	-	-	1,254	-	-	-	-	1,254
Property, plant and equipment, net of accumulated depreciation (note 5)	-	-	-	25,408	-	1,133	663,886	-	690,427
Amount to be provided for the retirement of general long-term obligations	-	-	-	-	-	-	-	902,025	902,025
Total assets	<u>\$ 419,619</u>	<u>167,214</u>	<u>66,288</u>	<u>47,851</u>	<u>2,387</u>	<u>2,159,693</u>	<u>663,886</u>	<u>902,025</u>	<u>4,428,963</u>

See accompanying notes to general purpose financial statements.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Combined Balance Sheet - All Fund Types and Account Groups

June 30, 1996  
(in thousands)

	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	<u>ACCOUNT GROUPS</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	<u>Total (Memorandum Only)</u>
<u>Liabilities</u>									
Warrants and accounts payable	\$ 122,085	23,344	16,330	1,242	-	76,149	-	-	239,150
Accrued liabilities:									
Tax abatements refunds	84,805	-	-	-	-	-	-	6,000	90,805
Judgments and claims (note 14)	-	-	-	-	14,629	-	-	38,630	53,259
Sick and vacation	-	-	-	-	-	-	-	81,786	81,786
Other	24,825	38,426	-	3,648	-	1,635	-	-	68,534
Intergovernmental	-	-	-	2,008	-	-	-	-	2,008
Due to other funds (note 6)	894	161	1,541	-	8,110	684	-	-	11,390
Deferred revenue	109,903	15,458	-	10,120	-	129,842	-	-	135,481
Deferred compensation benefits payable (note 12)	-	-	-	-	-	-	-	-	129,842
Matured interest and bonds payable	661	-	-	-	-	-	-	-	661
Obligations under capital leases (note 7)	-	-	-	-	-	-	-	19,749	19,749
Bonds and notes payable (note 7)	-	-	-	-	-	-	-	755,860	781,055
Total liabilities	<u>343,173</u>	<u>77,389</u>	<u>17,871</u>	<u>20,843</u>	<u>22,739</u>	<u>4,352</u>	<u>-</u>	<u>902,025</u>	<u>1,613,720</u>
<u>Fund Equity and Other Credits</u>									
Investment in general fixed assets	-	-	-	-	-	-	663,886	-	663,886
Retained earnings	-	-	-	9,990	(20,352)	-	-	-	(10,362)
Fund balances:									
Reserved for:									
Trust fund endowments	-	-	-	-	-	82,023	-	-	82,023
Encumbrances and continuing appropriations	9,579	70,616	118,506	-	-	3,132	-	-	201,833
Employee retirement benefits	-	-	-	-	-	1,834,627	-	-	1,834,627
Unreserved:									
Undesignated	<u>66,867</u>	<u>19,209</u>	<u>(70,089)</u>	<u>-</u>	<u>-</u>	<u>27,249</u>	<u>-</u>	<u>-</u>	<u>43,236</u>
Total fund equity and other credits	<u>76,446</u>	<u>89,825</u>	<u>48,417</u>	<u>9,990</u>	<u>(20,352)</u>	<u>1,947,031</u>	<u>663,886</u>	<u>-</u>	<u>2,815,243</u>
Contingencies (note 14)									
Total liabilities, equity and other credits	\$ <u>419,619</u>	<u>167,214</u>	<u>66,288</u>	<u>47,851</u>	<u>2,387</u>	<u>2,159,693</u>	<u>663,886</u>	<u>902,025</u>	<u>4,428,963</u>

See accompanying notes to general purpose financial statements.



# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1996  
(in thousands)

	<u>GOVERNMENTAL FUND TYPES</u>			<u>FIDUCIARY FUND TYPE</u>	Total
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	(Memorandum Only)
Revenues:					
Local:					
Real and personal property taxes, net (note 4) \$	687,404	-	-	-	687,404
Excises	57,339	-	-	-	57,339
Payments in lieu of taxes	49,540	-	-	-	49,540
Fines	47,373	-	-	-	47,373
Investment income	22,925	177	-	1,296	24,398
Licenses and permits	19,970	-	-	-	19,970
Departmental and other revenue	<u>42,724</u>	<u>16,648</u>	<u>1,645</u>	<u>4,806</u>	<u>65,823</u>
Total local revenues	<u>927,275</u>	<u>16,825</u>	<u>1,645</u>	<u>6,102</u>	<u>951,847</u>
Intergovernmental:					
Federal	-	117,701	483	-	118,184
Commonwealth of Massachusetts	<u>360,020</u>	<u>71,985</u>	<u>8,989</u>	-	<u>440,994</u>
Total intergovernmental revenues	<u>360,020</u>	<u>189,686</u>	<u>9,472</u>	-	<u>559,178</u>
Total revenues	<u>1,287,295</u>	<u>206,511</u>	<u>11,117</u>	<u>6,102</u>	<u>1,511,025</u>
Expenditures:					
Current:					
General government	44,060	10,656	-	1,035	55,751
Human services	5,062	3,285	-	1,525	9,872
Public safety	279,098	18,653	-	-	297,751
Public works	60,700	19	-	1,898	62,617
Property and development	26,103	-	-	-	26,103
Parks and recreation	10,700	3,389	-	1,528	15,617
Library	23,412	1,222	-	-	24,634
Schools	453,572	67,154	-	33	520,759
County	9,592	61,852	-	-	71,444
Judgments and claims	9,872	-	-	-	9,872
Retirement costs (note 8)	68,068	729	-	-	68,797
Other employee benefits	67,989	-	-	-	67,989
State and district assessments	61,600	-	-	-	61,600
Community development	-	47,049	-	-	47,049
Operating subsidy to Department of Health and Hospitals	70,786	-	3,391	-	74,177
Capital outlays	5,613	11,950	120,945	-	138,508
Debt service	<u>78,527</u>	<u>1,357</u>	<u>308</u>	-	<u>80,192</u>
Total expenditures	<u>1,274,754</u>	<u>227,315</u>	<u>124,644</u>	<u>6,019</u>	<u>1,632,732</u>
Excess (deficiency) of revenues over expenditures	<u>12,541</u>	<u>(20,804)</u>	<u>(113,527)</u>	<u>83</u>	<u>(121,707)</u>
Other financing sources (uses):					
Proceeds of debt and capital leases (note 7)	-	1,495	79,698	-	81,193
Proceeds from refinancing lease purchase agree- ment (note 7)	20,814	-	-	-	20,814
Payments to escrow agent (note 7)	(20,760)	-	-	-	(20,760)
Operating transfers in (note 10)	636	-	-	4,067	4,703
Operating transfers out (note 10)	<u>-</u>	<u>(22)</u>	<u>(114)</u>	<u>(500)</u>	<u>(636)</u>
Total other financing sources (uses)	<u>690</u>	<u>1,473</u>	<u>79,584</u>	<u>3,567</u>	<u>85,314</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>\$ 13,231</u>	<u>(19,331)</u>	<u>(33,943)</u>	<u>3,650</u>	<u>(36,393)</u>

See accompanying notes to general purpose financial statements.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds

Year ended June 30, 1996  
(in thousands)

	<u>GOVERNMENTAL FUND TYPES</u>			<u>FIDUCIARY FUND TYPE</u>	Total
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Expendable Trust</u>	<u>(Memorandum Only)</u>
Discontinued operations (note 1):					
Excess of revenues over expenditures	-	-	-	2,435	2,435
Loss on disposal	<u>(34,955)</u>	<u>-</u>	<u>-</u>	<u>(21,739)</u>	<u>(56,694)</u>
Excess (deficiency) of revenues and other financing sources over expenditures, other financing uses and discontinued operations before extraordinary item	<u>(21,724)</u>	<u>(19,331)</u>	<u>(33,943)</u>	<u>(15,654)</u>	<u>(90,652)</u>
Extraordinary item:					
Gain on forgiveness of debt (note 7)	<u>-</u>	<u>3,539</u>	<u>-</u>	<u>-</u>	<u>3,539</u>
Excess (deficiency) of revenues and other financing sources over expenditures, other financing uses, discontinued operations and extraordinary item	<u>(21,724)</u>	<u>(15,792)</u>	<u>(33,943)</u>	<u>(15,654)</u>	<u>(87,113)</u>
Fund balance, beginning of year	98,170	110,277	82,360	41,190	331,997
Residual equity transfers (notes 1 and 14)	-	(931)	-	2,127	1,196
Adjustment for change in fiscal year (note 1)	<u>-</u>	<u>(3,729)</u>	<u>-</u>	<u>-</u>	<u>(3,729)</u>
Fund balance, end of year	\$ <u>76,446</u>	<u>89,825</u>	<u>48,417</u>	<u>27,663</u>	<u>242,351</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Statement of Revenues and Expenditures - Budgetary Basis General Fund - Budget and Actual

Year ended June 30, 1996  
(with comparative actual amounts for 1995)  
(in thousands)

		1996				
		Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	1995 Actual
Revenues:						
Real and personal property taxes, net	\$	682,680	682,680	682,694	14	646,049
Excises		72,577	72,577	81,216	8,639	78,894
Commonwealth of Massachusetts		392,486	392,486	394,738	2,252	380,046
Health and hospitals		192,734	192,734	206,819	14,085	179,694
Departmental and other revenue		29,921	38,468	42,962	4,494	34,646
Fines		45,101	45,101	47,238	2,137	50,401
Payments in lieu of taxes		25,657	25,657	25,663	6	21,609
Investment income		14,000	19,498	22,856	3,358	13,963
Licenses and permits		15,492	15,690	19,970	4,280	15,152
Sale of property		500	500	500	-	500
Other available funds		7,500	7,500	7,500	-	4,100
Total revenues		1,478,648	1,492,891	1,532,156	39,265	1,425,054
Expenditures:						
General government		44,411	47,058	44,920	2,138	40,188
Human services		5,488	5,513	5,366	147	5,421
Public safety		284,470	285,570	287,522	(1,952)	272,706
Public works		56,545	56,545	63,150	(6,605)	53,892
Property and development		26,965	27,125	26,550	575	23,249
Parks and recreation		11,110	11,230	11,019	211	10,640
Library		20,895	23,427	23,414	13	22,254
Schools		444,654	456,167	456,151	16	424,943
Health and hospitals		248,904	248,904	282,302	(33,398)	218,447
County		9,606	9,606	9,588	18	14,536
Judgments and claims		8,500	9,050	9,954	(904)	12,203
Other employee benefits		72,087	70,673	68,157	2,516	69,350
Pension costs		101,892	101,892	102,054	(162)	110,475
State and district assessments		61,770	61,770	61,600	170	60,080
Debt requirements		81,351	78,361	78,202	159	84,673
Total expenditures		1,478,648	1,492,891	1,529,949	(37,058)	1,423,057
Excess of net revenues available for appropriation over expenditures						
	\$	-	-	2,207	2,207	1,997

See accompanying notes to general purpose financial statements.



# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Revenues, Expenses and Changes in Fund Equity - All Proprietary Fund Types and Nonexpendable Trust Funds

Year ended June 30, 1996  
(in thousands)

	<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPES</u>	Total (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trusts</u>	
Revenues:				
Investment income	\$ -	-	11,212	11,212
Contributions and donations	-	60,693	14,714	75,407
Rental income	6,228	-	-	6,228
Miscellaneous	<u>593</u>	<u>161</u>	<u>1,121</u>	<u>1,875</u>
Total operating revenues	<u>6,821</u>	<u>60,854</u>	<u>27,047</u>	<u>94,722</u>
Expenses:				
Salaries and wages	5,257	-	-	5,257
Professional fees	496	-	2	498
Administrative and general	2,045	24	1,117	3,186
Materials and supplies	64	-	-	64
Depreciation	1,257	-	-	1,257
Bad debts	300	-	-	300
Libraries	-	-	14,014	14,014
Benefits	-	79,055	-	79,055
Subsidies for community services, special programs, and real estate operations	<u>10,578</u>	<u>-</u>	<u>17</u>	<u>10,595</u>
Total operating expenses	<u>19,997</u>	<u>79,079</u>	<u>15,150</u>	<u>114,226</u>
Operating income (loss)	<u>(13,176)</u>	<u>(18,225)</u>	<u>11,897</u>	<u>(19,504)</u>
Nonoperating revenues and expenses:				
Grant income	14,873	-	-	14,873
Interest income	1,294	-	-	1,294
Interest expense	<u>(1,217)</u>	<u>-</u>	<u>-</u>	<u>(1,217)</u>
Total nonoperating revenue	<u>14,950</u>	<u>-</u>	<u>-</u>	<u>14,950</u>
Income (loss) before operating transfers and discontinued operations	<u>1,774</u>	<u>(18,225)</u>	<u>11,897</u>	<u>(4,554)</u>
Operating transfers:				
Operating transfers out (note 10)	<u>-</u>	<u>-</u>	<u>(4,067)</u>	<u>(4,067)</u>
Total operating transfers	<u>-</u>	<u>-</u>	<u>(4,067)</u>	<u>(4,067)</u>
Net income (loss) before discontinued operations	<u>1,774</u>	<u>(18,225)</u>	<u>7,830</u>	<u>(8,621)</u>
Discontinued operations (note 1):				
Loss from operations	(3,896)	-	-	(3,896)
Loss on disposal	<u>(58,812)</u>	<u>-</u>	<u>-</u>	<u>(58,812)</u>
Net income (loss) after discontinued operations	<u>(60,934)</u>	<u>(18,225)</u>	<u>7,830</u>	<u>(71,329)</u>
Fund equity, beginning of year	70,924	-	75,980	146,904
Residual equity transfers (notes 1 and 14)	<u>-</u>	<u>(2,127)</u>	<u>931</u>	<u>(1,196)</u>
Fund equity, end of year	\$ <u>9,990</u>	<u>(20,352)</u>	<u>84,741</u>	<u>74,379</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Changes in Plan Net Assets - Pension Trust Funds

Year ended June 30, 1996  
(in thousands)

### Additions:

#### Contributions:

Employer	\$ 121,271
Employee	<u>58,983</u>
Total contributions	<u>180,254</u>

#### Investment income:

Realized and unrealized gains on investments	280,831
Interest	<u>48,678</u>
Total investment income	<u>329,509</u>

Intergovernmental	<u>24,200</u>
Total additions	<u>533,963</u>

### Deductions:

Benefits	188,497
Refunds of contributions	19,105
Administrative expenses	<u>1,339</u>
Total deductions	<u>208,941</u>

Net increase	<u>325,022</u>
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### Net assets held in trust for pension benefits:

Beginning of year	1,453,708
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Adjustment to beginning net assets (note 8)	<u>55,897</u>
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End of year	\$ <u><u>1,834,627</u></u>
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See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds

Year ended June 30, 1996  
(in thousands)

	<u>PROPRIETARY FUND TYPES</u>		<u>FIDUCIARY FUND TYPE</u>	Total
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Nonexpendable Trusts</u>	<u>(Memorandum Only)</u>
Cash flows from operating activities:				
Operating income (loss)	\$ (13,176)	(18,225)	11,897	(19,504)
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	1,257	-	-	1,257
Provision for bad debts	300	-	-	300
Net realized gains	-	-	(1,946)	(1,946)
Changes in operating assets and liabilities:				
Accounts receivable	(131)	(1,462)	(63)	(1,656)
Intergovernmental receivables	515	-	1,073	1,588
Other assets	(21)	-	140	119
Due to/from other funds	-	5,298	(450)	4,848
Accounts payable	11	-	214	225
Other accrued liabilities	253	14,389	141	14,783
Deferred revenue	(739)	-	-	(739)
Net cash provided (used) by operating activities	<u>(11,731)</u>	<u>-</u>	<u>11,006</u>	<u>(725)</u>
Cash flows from noncapital financing activities:				
Advances from grantors	14,873	-	-	14,873
Residual equity transfer	-	-	458	458
Operating subsidy/transfers-out	-	-	(4,067)	(4,067)
Discontinued operations (note 1)	<u>(65,234)</u>	<u>-</u>	<u>-</u>	<u>(65,234)</u>
Net cash provided (used) by noncapital financing activities	<u>(50,361)</u>	<u>-</u>	<u>(3,609)</u>	<u>(53,970)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(1,578)	-	-	(1,578)
Interest paid on debt	(1,217)	-	-	(1,217)
Repayment of long-term debt	(3,180)	-	-	(3,180)
Payments on lease obligations	<u>(4)</u>	<u>-</u>	<u>-</u>	<u>(4)</u>
Net cash provided (used) by capital and related financing activities	<u>(5,979)</u>	<u>-</u>	<u>-</u>	<u>(5,979)</u>
Cash flows from investing activities:				
Purchase of investment securities	(7,985)	-	(5,825)	(13,810)
Proceeds from sale of investment securities	8,529	-	18	8,547
Investment income	<u>1,294</u>	<u>-</u>	<u>-</u>	<u>1,294</u>
Net cash provided (used) by investing activities	<u>1,838</u>	<u>-</u>	<u>(5,807)</u>	<u>(3,969)</u>
Increase (decrease) in cash and cash equivalents	(66,233)	-	1,590	(64,643)
Cash and cash equivalents, beginning of year	<u>67,901</u>	<u>-</u>	<u>2,719</u>	<u>70,620</u>
Cash and cash equivalents, end of year	1,668	-	4,309	5,977
Investments, end of year	<u>4,720</u>	<u>-</u>	<u>79,810</u>	<u>84,530</u>
Total cash and investments, end of year	\$ <u>6,388</u>	<u>-</u>	<u>84,119</u>	<u>90,507</u>

See accompanying notes to general purpose financial statements.

(Continued)



## CITY OF BOSTON, MASSACHUSETTS

### Combined Statement of Cash Flows - All Proprietary Fund Types and Nonexpendable Trust Funds

Year ended June 30, 1996  
(in thousands)

Reconciliation of nonexpendable trust funds cash and investments to combined balance sheet:

Nonexpendable Trust Funds from preceding page	\$ 84,119
Add:	
Pension Trust Funds	1,763,080
Agency Funds	135,346
Expendable Trust Funds	<u>20,951</u>
Total Fiduciary Fund Types	\$ <u>2,003,496</u>

See accompanying notes to general purpose financial statements.

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

June 30, 1996

### (1) Summary of Significant Accounting Policies

The accounting policies followed in preparing the accompanying general purpose financial statements are as follows:

#### (a) *The Financial Reporting Entity*

(1) General. The City of Boston, incorporated as a town in 1630 and as a city in 1822, now exists under Chapter 486 of the Act of 1909 and Chapter 452 of the Acts of 1948 of the Commonwealth of Massachusetts ("Commonwealth") which, as amended, constitute the City's Charter. The Mayor is elected to a four-year term and serves as chief executive officer of the City. The Mayor has general supervision of and control over the City's boards, commissions, officers and departments including all operations of Suffolk County, except county courts. The legislative body of the City is the City Council, which consists of thirteen elected members serving two-year terms. The Mayor and City Council serve as the County Commissioners of Suffolk County.

The accompanying general purpose financial statements present the City of Boston (the primary government which includes Suffolk County) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

(2) Discontinued Operations. On July 1, 1996, the City's Department of Health and Hospitals ("DHH") and the Trustees of Health and Hospitals ("THH"), a component unit, were abolished. Accordingly, DHH and THH have been reported as discontinued operations using a measurement date of June 30, 1996. This transaction is further described in note 15 under subsequent events.

(3) Individual Component Unit Disclosure. The component units provide services entirely or almost entirely to the City or otherwise exclusively or almost exclusively to benefit the City even though they do not provide services directly to it. Although legally separate, all component units have been reported as if they were part of the primary government; a method of inclusion known as blending. A description of the component units, criteria for inclusion and their relationship with the City are as follows:

**Boston Redevelopment Authority ("BRA")** - The BRA is a public body politic and corporate constituting the City's redevelopment authority and exercising the powers of a planning board for the City. The BRA is governed by a five-member board, four of which are appointed by the Mayor. Its purpose is to provide planning support for major construction and redevelopment activity in the City.

In 1996, the BRA changed its fiscal year-end to June 30 to conform to the City's fiscal reporting period. Therefore, the BRA's 1996 financial statements are for the nine-month period ended June 30, 1996 and include a \$3.7 million reduction to fund equity to account for the period ended September 30, 1995.

(Continued)

## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

#### **Economic Development and Industrial Corporation of Boston ("EDIC")**

- EDIC is a body politic and corporate and an instrumentality of the Commonwealth. It is governed by the same persons appointed as members of the BRA board. EDIC has various powers to assist industrial development projects in the City and together with the BRA assists the City with its economic development function.

**State-Boston Retirement System ("SBRS")** - SBRS is a defined benefit contributory retirement system created under state statute. It is administered by a Retirement Board comprised of three members: the City Auditor, who serves as *ex-officio*; an individual elected by participants in the system; and an individual chosen by the other two members or appointed by the Mayor if the other two do not agree. SBRS provides pension benefits to retired City employees.

#### **Trustees of Health and Hospitals of the City of Boston, Inc. ("THH")**

- THH is a nonprofit corporation established in 1965 by state statute. The operations of THH are administered by a board whose members are appointed by the Mayor who also appoints the Chairman and Vice Chairman. THH provides grant and trust fund administration services for the City's Department of Health and Hospitals (DHH).

#### **Trustees of the Public Library of the City of Boston ("TPL")**

- TPL is a nonprofit organization qualified as a tax-exempt entity under Section 501(c)(3) of the Internal Revenue Code. Trustees of TPL are appointed by the Mayor. TPL was established to benefit the public library system of the City of Boston.

In 1996, the TPL transferred its special revenue fund beginning equity of \$931 thousand to a nonexpendable trust fund.

The financial statements of the component units are included for their respective fiscal year-ends, which is June 30, 1996, except for SBRS which is December 31, 1995.

Complete financial statements of these individual component units can be obtained through the City Auditor's office, Room M-4, City Hall Plaza, Boston, Massachusetts 02201.

(4) Related Organizations. The Mayor is also responsible for appointing the members of the governing bodies of the Boston Housing Authority, Boston Industrial Development Finance Authority and Boston Water and Sewer Commission; however, the City's accountability for these organizations does not extend beyond making these appointments.

#### *(b) Basis of Presentation - Fund Accounting*

The operations of the City are recorded in the following fund types and account groups:

##### Governmental Funds

Governmental funds are used to account for the City's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is upon determination of changes in financial position and the flow of current financial resources. The following are the City's governmental fund types:

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

General Fund - The general fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to specified purposes.

Capital Project Funds - Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and similar trust funds).

### Proprietary Funds

Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income and capital maintenance (i.e., flow of economic resources).

Enterprise Funds - Enterprise funds are used to account for operations (a) that are financed primarily through user charges, or (b) where the governing body has decided that determination of net income is appropriate.

Internal Service Funds - Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of a government, or to other governments, on a cost-reimbursement basis.

### Fiduciary Funds

Trust and Agency Funds - Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent. Trust funds include expendable trust funds, nonexpendable trust funds, and pension trust funds. Nonexpendable trust funds and pension trust funds are reported in a manner similar to proprietary funds (i.e., flow of economic resources measurement focus and accrual basis of accounting). Expendable trust funds are reported in a manner similar to governmental funds (i.e., flow of financial resources measurement focus and modified accrual basis of accounting). Agency funds are custodial in nature and follow the modified accrual basis of accounting but are not concerned with the measurement of results of operations.

### Account Groups

Account groups are a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the governmental funds because they do not affect net expendable available financial resources. The following are the City's account groups.

General Fixed Assets Account Group (GFAAG) - This account group is used to account for fixed assets, other than those accounted for in proprietary funds and similar trust funds.

General Long-Term Obligations Account Group (GLTOAG) - This account group is used to account for all long-term obligations of the City, except those accounted for in proprietary and similar trust funds.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(c) Basis of Accounting*

#### Modified Accrual Basis

The modified accrual basis of accounting is followed by governmental funds, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., when they become both measurable and available to pay liabilities of the current period). Revenues not considered available are recorded as deferred revenues.

The City applies the susceptible to accrual criteria to property taxes and intergovernmental revenues. In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, resources must be expended on the specific purpose or project before any amounts will be reimbursed to the City; therefore, revenues are recognized based upon the amount of expenditures incurred. In the other, resources are virtually unrestricted and are usually revocable by the grantor only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met. Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after year-end.

Investment earnings are recorded as earned. Other revenues are recorded when received in cash because these amounts are generally not measurable until actually received.

Expenditures are recorded when the liability is incurred except for (1) interest on general long-term obligations, which is recorded when due, and (2) the noncurrent portion of accrued judgments and claims, abatement refunds and vacation and sick leave, which is recorded in the general long-term obligations account group.

#### Accrual Basis

The accrual basis of accounting is used by proprietary funds, nonexpendable trust funds and pension trust funds. Revenues are recognized when earned and expenses are recognized when goods or services have been received or a liability has been incurred.

The City and its component units have elected to apply to its proprietary funds, nonexpendable trust funds, and pension trust funds accounting standards applicable to the private sector issued on or before November 30, 1989, unless those standards conflict with or contradict pronouncements of the Governmental Accounting Standards Board.

### *(d) Cash Equivalents*

For purposes of the statement of cash flows, proprietary funds and nonexpendable trust funds consider investments with original maturities of three months or less when purchased to be cash equivalents.

### *(e) Encumbrances*

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds. Open encumbrances at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

(Continued)

## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years without further appropriations. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

*(f) Property, Plant and Equipment*

Property, plant and equipment are stated at cost or estimated historical cost, except for infrastructure which is not capitalized. Donated fixed assets are recorded at estimated fair market value at the date donated. Depreciation of proprietary fund assets is provided using the straight-line method over estimated useful lives ranging from 15 to 40 years for buildings, 5 to 25 years for improvements other than buildings, and 4 to 25 years for furniture and equipment. Net interest cost is capitalized during the construction period if material. Such cost was not material during fiscal 1996.

*(g) Compensated Absences*

Employees are granted vacation and sick leave in varying amounts. Upon retirement, termination or death, certain employees are compensated for unused vacation and sick leave (subject to certain limitations) at their then current rates of pay. The cost of vacation and sick leave for employees of proprietary funds is recorded as earned. For other funds, the liability related to unused sick and vacation time is recorded in the general long-term obligations account group. The liability for vacation leave is based on the amount earned but not used; for sick leave, it is based on the amount accumulated at the balance sheet date (vesting method). The liability for both amounts is calculated based on the pay or salary rates in effect at the balance sheet date.

*(h) Arbitrage Rebate*

Rebatable arbitrage earnings are calculated for the City by third parties and accounted for as a liability and a reduction of investment income in the general fund. At June 30, 1996, an accumulated arbitrage rebate liability of \$1.9 million was recorded in the general fund.

*(i) Tax Abatement Refund Claims*

Certain tax abatement settlements have resulted in agreements to make fixed payments over a series of future years. Such future payments have been recorded in the general long-term obligations account group. All other estimated tax abatement refunds have been recorded as a liability in the general fund.

*(j) Basis of Investment Valuation*

Investments of pension trust funds and deferred compensation plans are presented in the accompanying general purpose financial statements at fair market value. All other investments are stated at cost or amortized cost, which approximates market.

*(k) Reclassifications*

Certain 1995 amounts have been reclassified to conform with the 1996 presentation.

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### *(1) Total Columns*

Total columns on the accompanying general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Such data are not comparable to a consolidation since interfund and other eliminations have not been made.

### **(2) Budgetary Data**

The general fund is the only fund for which a budget is legally adopted. The budgets for all departments included in the general fund of the City, except the School Department, are prepared under the direction of the Mayor and City Council.

The School Department budget is prepared under the direction of the School Committee. Original and supplemental appropriations are submitted by the Mayor and approved by the City Council and lapse at year-end unless encumbered. The legal level of control over appropriations is at the department level. Amendments to the original budget must be approved by the City Council, except for a reallocation of appropriations of up to \$3 million which the Mayor may approve. Further, the City Auditor, with the approval of the Mayor, may make transfers from any appropriation to any other appropriation for purposes of eliminating deficits before closing the books for the fiscal year. Supplemental appropriations, other than the aforementioned transfers, were approximately \$14.2 million for the year.

The City must establish its property tax rate each year so that the resulting property tax levy will comply with the limits required by Proposition 2-1/2 (note 4). The tax levy must equal the sum of (a) the aggregate of all annual appropriations for expenditures; plus (b) the reserve accounts described in the following paragraph; plus (c) provision for the prior fiscal years' deficits, if any; less (d) the aggregate of all non-property tax revenues projected to be received by the City, including available funds, in amounts certified or approved by the Commonwealth for tax rate purposes.

In accordance with the 1986 amendments to the Funding Loan Act of 1982, the City has established two reserve funds. The first is a budget reserve fund which is required to be funded in stages to a final level of 2-1/2% of the prior year's overall departmental appropriations, except the School Department, by the beginning of fiscal 1990. It is available to be applied to extraordinary and unforeseen expenditures. The second is a separate reserve fund of 1% to 2-1/2% of the current year appropriation of the School Department to be applied to overexpenditures in that department.

The City's general fund budget is prepared on a basis other than generally accepted accounting principles ("GAAP"). The "actual" results column in the Statement of Revenues and Expenditures - Budgetary Basis is presented on a "budget basis" to provide a meaningful comparison with the budget. The major differences between the budget and GAAP bases, where applicable, are that:

- (a) Real estate and personal property taxes are recorded as revenue when levied (budget), as opposed to when susceptible to accrual (GAAP).

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

- (b) Encumbrances and continuing appropriations are recorded as the equivalent of expenditures (budget), as opposed to a reservation of fund balance (GAAP).
- (c) Certain activities and transactions are presented in separate funds (GAAP), rather than as components of the general fund (budget).
- (d) Amounts raised for the prior years' deficits and available funds from prior years' surpluses are recorded as revenue items (budget), but have no effect on GAAP revenues.
- (e) The subsidy to the DHH from the general fund is derived on a cash basis (budget), as opposed to a modified accrual basis (GAAP).

In addition, there are certain differences in classifications between revenues, expenditures and transfers.

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 1996 (in thousands):

	<u>Revenue</u>	<u>Expenditures</u>	<u>Other financing sources (uses), net</u>	<u>Loss on disposal of DHH</u>	<u>Excess (deficiency) of revenue and other financing sources</u>
As reported on a budgetary basis	\$ 1,532,156	1,529,949	-	-	2,207
Adjustments:					
Revenues to modified accrual basis	4,948	-	-	-	4,948
Abolishment of DHH (note 1)	-	(5,031)	-	(34,955)	(29,924)
Expenditures, encumbrances and accruals, net	-	(1,045)	-	-	1,045
Reclassifications:					
Health and Hospitals revenue to operating subsidy expenditure	(206,819)	(206,819)	-	-	-
Parking meter revenue and expenditures to a special revenue fund	(7,000)	(7,000)	-	-	-
Debt service expenditures and other financing sources to the general fund	189	379	190	-	-
State-funded teachers' retirement costs	(35,000)	(35,000)	-	-	-
Trust fund revenue to other financing sources	(500)	-	500	-	-
Other	(679)	(679)	-	-	-
As reported on a GAAP basis	\$ <u>1,287,295</u>	<u>1,274,754</u>	<u>690</u>	<u>(34,955)</u>	<u>(21,724)</u>

### (3) Cash and Investments

State and local statutes place certain limitations on the nature of deposits and investments available to the City. Deposits, including demand deposits, money markets and certificates of deposit in any one financial institution, may not exceed certain levels unless collateralized by the financial institution involved. Investments may be made in unconditionally guaranteed U.S. Government obligations having maturities of a year or less from the date of purchase, or through repurchase agreements with maturities of no

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

greater than 90 days in which the underlying securities consist of such obligations. Other allowable investments include authorized bonds of all states, bankers' acceptances, commercial paper rated within the three highest classifications established by rating agencies, and units in the Massachusetts Municipal Depository Trust ("MMDT").

The City's pension and certain other trust and agency funds have additional investment powers, most notably the ability to invest in common stocks, corporate bonds, and other specified investments.

### *Deposits*

The City categorized deposits according to the level of risk assumed. Category 1 includes deposits which are fully insured or collateralized with securities held by the entity or its agent in the entity's name. Category 2 includes deposits that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes those deposits that are not collateralized. The City's deposits at June 30, 1996 are as follows (in thousands):

	<u>Category</u>			<u>Total Bank</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Balance</u>	<u>Amount</u>
Total cash deposits	\$ <u>19,639</u>	<u>-</u>	<u>168,301</u>	<u>187,940</u>	<u>171,222</u>

### *Investments*

The City and SBRS categorize investments according to the level of risk assumed. Category 1 includes investments that are insured or registered or held by the entity or its agent in the entity's name. Category 2 includes uninsured and unregistered investments held by the counterparty's trust department or agent in the entity's name. Category 3 includes uninsured and unregistered investments held by the counterparty, or by its trust department or agent but not in the entity's name. Managed investment pools, deferred compensation plan mutual funds and real estate ventures are not categorized. The City's investments are as follows (in thousands):

<u>City and Components other</u> <u>than SBRS - June 30, 1996</u>	<u>Category</u>			<u>Carrying</u>	<u>Estimated</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Market</u> <u>Value</u>
Categorized:					
Repurchase agreements	\$ -	309,555	-	309,555	309,555
U.S. Government obligations	1,287	29,504	21,375	52,166	52,148
U.S. Government agency obligations	453	-	-	453	457
Debt securities	-	9,747	1,700	11,447	11,293
Equity securities	-	48,040	127,572	175,612	184,300
Total	\$ <u>1,740</u>	<u>396,846</u>	<u>150,647</u>	<u>549,233</u>	<u>557,753</u>
Not categorized:					
MMDT				56,108	56,108
Deferred compensation plan mutual funds				<u>2,270</u>	<u>2,270</u>
Total				\$ <u>607,611</u>	<u>616,131</u>

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

SBRS - December 31, 1995	Category			Carrying Amount	Estimated Market Value
	<u>1</u>	<u>2</u>	<u>3</u>		
Categorized:					
U.S. Government obligations	\$ -	98,087	-	98,087	98,087
U.S. Government agency obligations	-	127,375	-	127,375	127,375
Debt securities	-	1,193,006	-	1,193,006	1,193,006
Equity securities	-	195,381	-	195,381	195,381
Total	\$ <u>          </u>	<u>1,613,849</u>	<u>          </u>	1,613,849	1,613,849
Not categorized:					
MMDT				29,646	29,646
Real estate				38,125	38,125
Total				\$ <u>1,681,620</u>	<u>1,681,620</u>

The composition of the City's bank deposits and investments fluctuates depending primarily on the timing of real estate tax receipts, proceeds from borrowings, collection of state and federal aid, and capital outlays throughout the year.

### (4) Property Taxes

Real and personal property taxes are based on values assessed as of each January 1. By law, all taxable property must be assessed at 100% of fair cash value. Also by law, property taxes must be levied at least 30 days prior to their due date. Once levied, these taxes are recorded as receivables, net of estimated uncollectible balances. Property tax revenues have been recorded using the modified accrual basis of accounting, described in note 1(c).

The City bills and collects its property taxes on a quarterly basis following the January 1 assessment. The due dates for those quarterly tax billings are August 1, November 1, February 1, and May 1. Property taxes that remain unpaid after the respective due dates are subject to penalties and interest charges.

Based on the City's experience, most property taxes are collected during the year in which they are assessed. Liening of properties on which taxes remain unpaid occurs annually. On September 24, 1996, all properties with unpaid fiscal 1996 property taxes were lienied. The City ultimately has the right to foreclose on all properties where the taxes remain unpaid.

A statewide property tax limitation known as "Proposition 2-1/2" limits the amount of increase in the property tax levy in any fiscal year. Generally, Proposition 2-1/2 limits the total levy to an amount not greater than 2-1/2% of the total assessed value of all taxable property within the City. Secondly, the tax levy cannot increase by more than 2-1/2% of the prior year's levy plus the taxes on property newly added to the tax rolls. Certain provisions of Proposition 2-1/2 can be overridden by a City-wide referendum.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (5) Property, Plant and Equipment

Property, plant and equipment of the enterprise and nonexpendable trust funds, by major category, is as follows at June 30, 1996 (in thousands):

	Enterprise Fund	Nonexpendable Trust Funds
Land	\$ 11,770	281
Buildings and leasehold improvements	32,252	872
Furniture and equipment	2,071	-
Construction in progress	<u>1,764</u>	<u>-</u>
	47,857	1,153
Less accumulated depreciation	<u>(22,449)</u>	<u>(20)</u>
	\$ <u>25,408</u>	<u>1,133</u>

The following is a summary of changes in the General Fixed Assets Account Group (in thousands):

	Balance, June 30, 1995	Additions	Disposals	Balance, June 30, 1996
Land and buildings	\$ 510,542	17	10	510,549
Furniture and fixtures	32,396	2,605	402	34,599
Vehicles and maintenance equipment	68,138	7,607	4,178	71,567
Machinery and equipment	<u>41,812</u>	<u>7,073</u>	<u>1,714</u>	<u>47,171</u>
General fixed assets	\$ <u>652,888</u>	<u>17,302</u>	<u>6,304</u>	<u>663,886</u>

No accumulated depreciation is recorded in the General Fixed Assets Account Group.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (6) Interfund Balances

Individual fund interfund receivable and payable balances at June 30, 1996, are as follows (in thousands):

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General	\$ 10,429	894
Special revenue:		
CDBG	34	154
HUD grants	-	7
Capital projects:		
Public Works	-	480
School Projects	-	452
Public Buildings	-	411
Hospital	-	25
Parks and Recreation	-	173
Internal service:		
Blue Cross/Blue Shield	838	8,110
Trust and agency:		
BRS	81	-
City Funds	-	498
George Robert White Fund	-	36
School Funds	-	1
Neighborhood Housing Trust Fund	-	8
Neighborhood Jobs Trust Fund	8	-
Library	-	141
Balances at June 30, 1996	<u>11,390</u>	<u>11,390</u>
SBRS at December 31, 1995	<u>59,253</u>	<u>-</u>
Balances in accompanying general purpose financial statements	\$ <u>70,643</u>	<u>11,390</u>

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (7) Long-Term Obligations

#### Governmental Fund Obligations

Following is a summary of the general long-term obligations of the City as of June 30, 1996  
(in thousands):

	<u>Interest Rates</u>	<u>Outstanding, Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding, End of Year</u>
Bonds and Notes Payable:					
City:					
General Obligation Bonds dated 10/15/95	5.0-5.25%	\$ -	75,000	-	75,000
General Obligation Bonds dated 9/1/94	5.0-6.0%	70,000	-	3,645	66,355
General Obligation Refunding Bonds dated 2/1/94	4.0-5.0%	84,905	-	3,920	80,985
General Obligation Bonds dated 9/1/93	4.0-4.875%	48,430	-	1,620	46,810
General Obligation Refunding Bonds dated 2/1/93	3.0-5.65%	91,020	-	2,190	88,830
General Obligation Bonds dated 2/15/92	4.75-6.5%	58,720	-	2,195	56,525
General Obligation Refunding Bonds dated 5/15/91	5.5-10.0%	46,240	-	5,185	41,055
General Obligation Bonds dated 5/15/91	5.5-6.1%	13,940	-	3,550	10,390
General Obligation Bonds dated 1/1/90	6.25-7.375%	40,135	-	6,430	33,705
General Obligation Bonds dated 3/1/89	7.1-7.5%	23,325	-	4,775	18,550
General Obligation Bonds dated 7/7/88	6.4-7.3%	11,150	-	2,370	8,780
General Obligation Refunding Bonds dated 8/15/86	6.3-7.25%	22,985	-	1,640	21,345
General Obligation Bonds dated 4/15/86	6.3-7.2%	7,400	-	4,475	2,925
General Obligation Bonds dated 3/1/77	7.25%	3,250	-	1,625	1,625
General Obligation Bonds dated 10/1/76	7.75%	1,685	-	1,685	-
General Obligation Bonds dated 3/1/76	9.50%	1,825	-	1,825	-
Bearer Bonds dated 11/1/66 through 5/1/79	0.25-8.0%	20,325	-	6,460	13,865
Rapid Transit, term maturities through 1996	2.25-3.0%	20	-	20	-
Notes payable	5.44-7.18%	<u>20,000</u>	<u>1,495</u>	<u>-</u>	<u>21,495</u>
Total general obligation bonds and notes payable		565,355	76,495	53,610	588,240
Revenue Refunding Bonds, Boston City Hospital, Series B, dated 6/1/93	3.60-5.25%	<u>184,712</u>	<u>-</u>	<u>18,567</u>	<u>166,145</u>
Total City		750,067	76,495	72,177	754,385
BRA:					
Mortgage note, dated 4/22/93	Non-interest bearing	1,475	-	-	1,475
Interest only note payable to General Services Administration due 4/9/24	4%	<u>13,439</u>	<u>-</u>	<u>13,439</u>	<u>-</u>
Total bonds and notes payable		<u>764,981</u>	<u>76,495</u>	<u>85,616</u>	<u>755,860</u>
Other long-term obligations:					
City:					
Leases		25,438	25,512	31,250	19,700
Tax abatement refunds		9,000	-	3,000	6,000
Judgments and claims		42,500	24,145	28,015	38,630
Sick and vacation		<u>82,982</u>	<u>-</u>	<u>1,196</u>	<u>81,786</u>
Total City other long-term obligations		159,920	49,657	63,461	146,116
BRA:					
Leases		<u>117</u>	<u>-</u>	<u>68</u>	<u>49</u>
Total other long-term obligations		<u>160,037</u>	<u>49,657</u>	<u>63,529</u>	<u>146,165</u>
Total general long-term obligations		\$ <u>925,018</u>	<u>126,152</u>	<u>149,145</u>	<u>902,025</u>

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The annual debt service requirements of the City's general obligation governmental bonds and notes payable outstanding as of June 30, 1996, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
1997	\$ 54,595	32,300	86,895
1998	50,825	28,988	79,813
1999	47,540	25,982	73,522
2000	43,830	23,174	67,004
2001	42,050	20,674	62,724
2002-2005	153,035	60,813	213,848
2006-2010	117,870	38,755	156,625
2011-2015	75,225	9,807	85,032
2016-2019	<u>3,270</u>	<u>91</u>	<u>3,361</u>
Total	\$ <u>588,240</u>	<u>240,584</u>	<u>828,824</u>

General obligation bonds are backed by the full faith and credit of the City. The Commonwealth has approved school construction assistance, subject to annual appropriation by the state legislature and reports filed with the Commonwealth by the City, to partially provide resources for future principal and interest requirements on general obligation school bonds of the City. In addition, the Boston Water and Sewer Commission ("BWSC") is required by its enabling legislation to reimburse the City for future principal and interest requirements on the general obligation water and sewer bonds. As of June 30, 1996, such resources expected to be provided to the City total \$155.9 million from the Commonwealth and \$.2 million in principal and \$27.6 thousand in interest from the BWSC.

The Boston Public Health Commission (see note 15) has assumed responsibility for paying to the City an amount equal to current debt service on all outstanding general obligation bonds of the City issued for public health and hospital purposes which amounted to \$43.4 million at June 30, 1996.

The annual debt service requirements of the City's Revenue Refunding Bonds, Boston City Hospital, Series B, outstanding as of June 30, 1996, are as follows (in thousands):

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year ending June 30:			
1997	\$ 3,825	9,215	13,040
1998	3,930	9,050	12,980
1999	4,105	8,869	12,974
2000	4,310	8,672	12,982
2001	4,395	8,456	12,851
2002-2005	19,470	31,430	50,900
2006-2010	13,725	30,735	44,460
2011-2015	37,110	28,044	65,154
2016-2020	-	21,642	21,642
2021-2023	<u>75,275</u>	<u>12,985</u>	<u>88,260</u>
Total	\$ <u>166,145</u>	<u>169,098</u>	<u>335,243</u>

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The revenue refunding bonds do not constitute general obligations of the City and the annual debt service of these bonds has been assumed by the Boston Public Health Commission. The Boston Public Health Commission expects to meet its obligation on the bonds through application of a portion of the rent payable to the Boston Public Health Commission by the Boston Medical Center Corporation for its lease of the former Boston City Hospital campus (see note 15).

The City is subject to a dual general debt limit; the normal debt limit and the double debt limit. Such limits are equal to 2-1/2% and 5%, respectively, of the valuation of taxable property in the City as last equalized by the State Department of Revenue. Debt may be authorized up to the normal debt limit without state approval. Authorizations under the double debt limit, however, require the approval of the Commonwealth's Emergency Finance Board. Additionally, there are many categories of general obligation debt which are exempt from the debt limit but are subject to other limitations.

As of June 30, 1996, the City may issue \$787.7 million of additional general obligation debt under the dual level general debt limit. General obligation debt of \$301 million, subject to the double debt limit, and \$247 million, exempt from the debt limit, is authorized but unissued as of June 30, 1996.

The City pays assessments to the Massachusetts Bay Transit Authority ("MBTA") under formulas that include debt service payments (commonly referred to as overlapping debt). At June 30, 1996, the MBTA had \$294.2 million in long-term debt outstanding, of which the City's estimated share was approximately 42.58%, or \$125.3 million.

On November 16, 1995, the BRA granted final designation to a private developer for the rehabilitation of the Custom House Tower into a time share arrangement. Subsequently, on January 12, 1996, the note and mortgage in the amount of \$13.4 million with the General Services Administration was retired, resulting in an extraordinary gain of \$3.5 million for the period ended June 30, 1996.

### Proprietary Fund Obligations

Following is a summary of the long-term obligations of the EDIC as of June 30, 1996 (in thousands):

	Interest Rates	Outstanding, Beginning of Year	Additions	Reductions	Outstanding, End of Year
Industrial Development Bonds dated 8/30/93	6.25%	\$ 4,960	-	260	4,700
Public Parking Facility Bonds dated 6/30/95	5%	9,915	-	225	9,690
U.S. Department of Housing and Urban Development	7.9%	2,515	-	2,515	-
City of Boston, Public Facilities Department	Non-interest bearing	438	-	-	438
Massachusetts Government Land Bank	6.35%	3,160	-	67	3,093
City of Boston, UDAG	3%	3,035	-	113	2,922
Leases		<u>5</u>	<u>-</u>	<u>5</u>	<u>-</u>
Total		\$ <u>24,028</u>	<u>-</u>	<u>3,185</u>	<u>20,843</u>

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The future annual debt principal payments for proprietary fund long-term debt outstanding at June 30, 1996, are as follows (in thousands):

Year ending June 30:	
1997	\$ 1,131
1998	717
1999	745
2000	780
2001	819
Thereafter	<u>16,651</u>
Total	\$ <u>20,843</u>

### Fiduciary Fund Obligations

Following is a summary of the long-term obligations of the Neighborhood Housing trust fund as of June 30, 1996 (in thousands):

	<u>Interest Rates</u>	<u>Outstanding Beginning of Year</u>	<u>Additions</u>	<u>Reductions</u>	<u>Outstanding End of Year</u>
Notes payable due through 4/24/07	Various	\$ 4,699	-	347	4,352

The future annual debt principal payments for fiduciary fund long-term debt outstanding at June 30, 1996, are as follows (in thousands):

Year ending June 30:	
1997	\$ 1,004
1998	1,099
1999	1,090
2000	409
2001	197
2002	215
Thereafter	<u>338</u>
	\$ <u>4,352</u>

### Defeased Debt

The following prior year transactions met the requirements of an in-substance defeasance:

- On February 9, 1994, the City issued \$85.9 million in General Obligation Bonds, dated February 1, 1995 to advance refund \$74.3 million of 1985, 1986, 1988, 1989, 1990 and 1991 Series Bonds.
- On June 8, 1993, the City issued \$187.7 million in refunding bonds - Boston City Hospital - Series B dated June 1, 1993 with an average interest rate of 5.5% to advance refund \$169.3 million of other revenue bonds - Boston City Hospital - Series A.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

- On February 10, 1993, the City issued \$92.3 million in General Obligation Bonds, dated February 1, 1993, to advance refund \$80.5 million of 1983, 1986, 1988, 1989 and 1992 Series bonds.

The principal amount of debt refunded through in-substance defeasance transactions and still outstanding at June 30, 1996 was \$275 million.

### Lease Obligations

In fiscal 1988, the City implemented an equipment acquisition program which involved entering into master installment sales agreements pursuant to which the City has acquired equipment. From March 1988 through October 1993, \$71.5 million of certificates of participation were issued, of which \$3.6 million in principal is outstanding. Payments under these agreements are subject to annual appropriation, are supported by irrevocable direct-pay letters of credit, are not general obligations of the City and, by statute, are not included in the City's debt limit calculations.

In December 1994, the City executed an Equipment Lease with Option to Purchase Agreement. Pursuant to the lease agreement, the City obtained financing for the acquisition of up to \$11.7 million of departmental equipment in each of the 1995 and 1996 fiscal years, the total borrowing for which was completed by July 1995. Due to the then-favorable interest rate climate, the City entered into a new Equipment Lease with Option to Purchase Agreement in August 1995 in order to refinance the equipment leases it had previously executed to finance the fiscal year 1996 and 1995 equipment acquisitions. The refinancing of the equipment lease agreement will yield savings in total debt service, over a seven-year term, of approximately \$.2 million and an economic gain of \$150 thousand. As of June 30, 1996, the City's outstanding debt for the refinanced Equipment Lease with Option to Purchase agreement is \$16.1 million. Monthly lease payments are subject to annual appropriation and thus, are not included in the City's debt limit.

The City's commitment under noncapitalized leases is not significant.

Future minimum payments under capital leases and installment sales as of June 30, 1996, are as follows (in thousands):

	<u>GLTOAG</u>		
	<u>City</u>	<u>BRA</u>	<u>Total</u>
1997	\$ 9,332	32	9,364
1998	7,178	20	7,198
1999	2,793	-	2,793
2000	1,337	-	1,337
2001	322	-	322
Thereafter	133	-	133
Total minimum lease payments	21,095	52	21,147
Less amount representing interest	1,395	3	1,398
Total	\$ 19,700	49	19,749

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### No Obligation Debt

The City has outstanding industrial, commercial and housing development bonds, payable solely from revenues of the respective enterprises that do not constitute an indebtedness of the City and are not a charge against its general credit.

## (8) Retirement Plans

### *(a) Plan Description*

The City contributes to the State-Boston Retirement System ("System"), a cost-sharing multiple-employer defined benefit pension plan. The System is administered by a three-person Board of Retirement consisting of the City Auditor who serves as a member *ex officio*, a second member who is elected by the members, in or retired from the service of the System, and a third member chosen by the other two members. The System provides retirement, disability and death benefits to plan members and beneficiaries. Chapter 32 of the Massachusetts General Laws ("MGL") assigns authority to establish and amend benefit provisions of the plan, and grant cost-of-living increases, to the state legislature.

The City also participates in the Boston Retirement System ("BRS") and made benefit payments of approximately \$6.5 million for the year ended June 30, 1996. The number of BRS plan participants was frozen in 1946. Disclosures for BRS are not material and, thus, are not presented.

### *(b) Membership*

Membership in the System consisted of the following at January 1, 1996, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	13,361
Terminated plan members entitled to but not receiving benefits	1,130
Active plan members	<u>20,172</u>
Total membership	<u>34,663</u>
 Total number of participating employers	 <u>4</u>

### *(c) Contributions*

Plan members are required to contribute to the System. Depending on their employment date, active members must contribute either 5%, 7% or 8% of their regular gross compensation. Members hired after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. Participating employers are required to pay into the System, their share of the remaining system-wide actuarially determined contribution and plan administration costs, which are apportioned among the employers based on active covered payroll. The Commonwealth reimburses the City for benefits paid to school teachers and reimburses the System for a portion of benefit payments for cost-of-living increases. The contributions of plan members and the participating employers are governed by Chapter 32 of the MGL. The City's contributions to the System for the years ended June 30, 1996, 1995 and 1994 were \$95 million (\$60 million, net of teachers' retirement), \$102 million and \$100 million, respectively, which equaled its required contribution for each year.

(Continued)



## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

#### *(d) Legally Required Reserve Accounts*

The balances in the System's legally required reserves (on the statutory basis of accounting) at December 31, 1995 are as follows (in thousands):

<u>Description</u>	<u>Amount</u>	<u>Purpose</u>
Annuity Savings Fund	\$ 725,781	Active members' contribution balance
Annuity Reserve Fund	195,613	Retired members' contribution account
Military Service Credit	53	Members' contribution account while on military leave
Expense Account	303	Balance of amount appropriated for administering the system
Pension Reserve Fund	95,631	Amounts appropriated to fund future retirement benefits
Pension Fund	<u>798,857</u>	Remaining net assets
Total	\$ <u>1,816,238</u>	

All reserve accounts are funded at levels required by State statute.

#### *(e) Investment Concentration*

There were no investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of plan net assets.

#### *(f) Change in Accounting*

In 1995, the System changed its method of accounting for employer contributions from cash to accrual by including amounts appropriated and unpaid as revenue, causing an increase in fund equity of \$55.9 million.

### **(9) Other Post-employment Benefit Disclosures**

In addition to the pension benefits described in note 8, the City provides post-retirement health care and life insurance benefits, in accordance with state statute and City ordinance, to eligible retirees. Currently 12,500 retirees meet the eligibility requirements as put forth in Chapter 32B of Massachusetts General Laws. The City pays 75% of Blue Cross/Blue Shield of Massachusetts ("BC/BS") premiums and 90% of HMO premiums for medical and hospitalization incurred by retirees and their dependents. The City also pays 75% of BC/BS Medicare premiums for each Medicare eligible retiree. The City provides for 50% of the premiums for \$5,000 of life insurance for each eligible retiree.

Expenditures, estimated to be \$30 million for these health care and life insurance benefits to retirees for 1996, are accounted for on a pay-as-you-go basis.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (10) Operating Transfers

Operating transfers constitute the transfer of resources from the fund that receives the resources to the fund that utilizes them. Operating transfers during the year were as follows (in thousands):

Purpose of transfer:	Transfers in (out)				
	General	Special Revenue	Capital Projects	Trust Funds Expendable	Trust Funds Nonexp.
Debt service	\$ 136	(22)	(114)	-	-
Trust funds	<u>500</u>	<u>-</u>	<u>-</u>	<u>3,567</u>	<u>(4,067)</u>
	\$ <u>636</u>	<u>(22)</u>	<u>(114)</u>	<u>3,567</u>	<u>(4,067)</u>

### (11) Fund Deficits and Excess of Expenditures

The following funds had deficit equity balances at June 30, 1996 (in thousands):

Special revenue:	
Building Loan Program	\$ <u>3,395</u>
Capital projects:	
Public works	2,762
Chapter 90 Public Ways	3,037
School projects	5,944
Urban and economic development	<u>206</u>
	\$ <u>11,949</u>
Internal Service:	
Health insurance	\$ <u>20,352</u>

The City had expenditures in excess of their budgeted amounts for the year ended June 30, 1996 in the following categories (in thousands):

Public safety:	
Police	\$ 849
Fire	2,104
Public works:	
Snow removal	7,481
Health and Hospitals	33,398
Judgments and claims	904
Other employee benefits:	
Medicare payments	322
Contributions to Retirement Funds	1,024
State and district assessments:	
Parking Surcharge	<u>22</u>
	\$ <u>46,104</u>

(Continued)

## **CITY OF BOSTON, MASSACHUSETTS**

### **Notes to General Purpose Financial Statements**

Excess expenditures in public safety, snow removal and judgments and claims are allowed under the budgetary laws governing the City. State and district assessments exceeded original estimates which were provided by the Commonwealth.

#### **(12) Deferred Compensation Plan**

The City has deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan, available to all employees of the City, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the City (without being restricted to the provision of benefits under the plan), subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to the fair market value of the deferred account for each participant. All plan assets are stated at market value.

It is the opinion of the City that it has no liability for losses under the plan, but it does have the duty of due care which would be required of an ordinary prudent investor. The plan assets are subject to the claims of the City's general creditors; however, plan assets have not been used in the past to satisfy such claims. A portion of the City's deferred compensation funds are invested in derivative investments for hedging purposes, however, these investments are immaterial in total and are not used for speculative purposes.

The assets and liabilities of the City's deferred compensation plan with a market value of \$127.6 million are included in Agency Funds at June 30, 1996. Also included in the Agency Funds at June 30, 1996, are the assets and liabilities of the BRA's deferred compensation plan, with a market value of \$2.2 million.

(Continued)



# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

### (13) Segment Information

The City maintains enterprise funds for which segment information is presented below (in thousands):

	<u>DHH</u>	<u>THH</u>	<u>EDIC</u>	<u>Total</u>
Operating revenues	\$ -	-	6,821	6,821
Intergovernmental grants	-	-	14,873	14,873
Depreciation expense	-	-	1,257	1,257
Operating income (loss)	-	-	(13,176)	(13,176)
Net income before discontinued operations	-	-	1,774	1,774
Discontinued operations:				
Income (loss) from operations	(4,177)	281	-	(3,896)
Gain (loss) on disposal	(63,709)	4,897	-	(58,812)
Net income after discontinued operations	(67,886)	5,178	1,774	(60,934)
Acquisition and construction of capital assets	-	-	1,578	1,578
Total assets	-	-	47,851	47,851
Bonds payable	-	-	20,843	20,843
Total equity	-	-	9,990	9,990
Net working capital	-	-	2,291	2,291

### (14) Risk Management

The City is self insured in most areas of risk including general liability, property and casualty (except for school buses and boiler and machinery losses up to \$1 million), workers' compensation, unemployment and certain employee health claims. The City's Corporation Counsel defends the City in any lawsuits that arise from the normal course of operations. Except for certain health care costs described below, judgments and claims are charged to the general fund.

The City's health insurance program, administered by the Health Insurance and Benefits Division of the Administrative Services Department, provides coverage to the City's employees and retirees through a number of Health Maintenance Organizations ("HMO") and Blue Cross/Blue Shield of Massachusetts ("BC/BS"). Costs to the City for the HMOs, of which 10% are paid by employees, are accounted for in the general fund.

BC/BS acts as a third party agent for the City in the payment of the various claim plans used by the City. Costs incurred for the operation of the BC/BS plans, of which 25% are paid by employees, are accounted for in a separate health insurance internal service fund. Effective July 1, 1995, the deficit of the City's self-insured BC/BS trust fund of \$2.1 million was assumed by a newly established internal service fund.

(Continued)

# CITY OF BOSTON, MASSACHUSETTS

## Notes to General Purpose Financial Statements

The City has established a liability based on historical trends of previous years and attorney's estimates of pending matters and lawsuits in which the City is involved. Changes in the self insurance liability for the fiscal year ended June 30, 1996 are as follows (in thousands):

		1996	1995
		General	General
		Long-Term	Long-Term
		Obligations	Obligations
		Account	Account
		Group	Group
	Internal Service Fund		
Judgments and claims, beginning of year	\$ 9,400	42,500	49,591
Incurred claims	69,655	24,145	94,998
Payments of claims attributable to events of both the current and prior fiscal years:			
Health and life	(64,426)	-	(64,740)
Workers' compensation	-	(16,463)	(15,748)
Unemployment compensation	-	(1,570)	(1,683)
Court judgments	-	(9,982)	(10,518)
	<u>(64,426)</u>	<u>(28,015)</u>	<u>(92,689)</u>
Judgments and claims, end of year	\$ <u>14,629</u>	<u>38,630</u>	<u>51,900</u>

With the creation of the internal service fund, effective July 1, 1995, the associated health claims liability of \$9.4 million was transferred from the general long-term obligations account group to the internal service fund and included in the 1996 expenditures.

The liabilities above have not been discounted to their present value. Incurred claims represent the total of a provision for events of the current fiscal year and any change in the provision for events of the prior fiscal years.

There are numerous pending matters and lawsuits in which the City is involved. The City attorneys estimate that the potential claims against the City not recorded in the accompanying general purpose financial statements resulting from such litigation would not materially affect the general purpose financial statements.

## (15) Subsequent Events

### (a) Reorganization of Public Health System

Effective July 1, 1996, the City's Department of Health and Hospitals ("DHH") and Trustees of Health and Hospitals ("THH"), a component unit, were abolished. Substantially all their assets and liabilities, including title to the City's two hospitals, Boston City Hospital ("BCH") and Boston Specialty and Rehabilitation Hospital ("BSRH"), were transferred to and assumed by the Boston Public Health Commission ("Commission"), a body politic and corporate and public instrumentality of the Commonwealth. Also effective July 1, 1996, the operations of BCH and BSRH were consolidated with the operations of Boston University Medical Center Hospital ("BUMCH") under the licensure and control of the Boston Medical Center Corporation ("BMC"), a private, nonprofit corporation

(Continued)

## CITY OF BOSTON, MASSACHUSETTS

### Notes to General Purpose Financial Statements

established under Massachusetts law in 1996 as the successor to BUMCH. BMC holds the former BCH campus under a long-term lease with the Commission with an initial term of 50 years. Effective October 1, 1996, BMC transferred all BSRH operations from Mattapan to the former BCH campus in the City's South End.

As more fully described below the City has agreed to provide fixed operating assistance and capital grants to BMC in fiscal year 1997 and later years to support health care operations on the former BCH campus and further agreed to continue to subsidize BSRH operations until they were transferred to the former BCH campus on October 1, 1996. The City also anticipates that it will continue to provide support for the public health programs of the Commission and to provide operating subsidies for the City's emergency medical services system managed by BMC under contract with the Commission.

In addition to the lease of the former BCH campus to BMC, and the transfer to BMC of accounts receivable and cash and cash equivalents attributable to BCH aggregating approximately \$35.0 million, the merger agreements between the City and BUMCH provide for the payment of annual assistance grants to BMC to support BMC's operations on the former BCH campus. The assistance grant for fiscal year 1997 is \$6.0 million. The assistance grants payable by the City increase to \$7.0 million in fiscal year 1998, \$8.0 million in fiscal year 1999 and \$10.0 million in fiscal year 2000. In fiscal year 2001 and each fiscal year thereafter until retirement of the City's Revenue Refundable Bonds, Boston City Hospital (FHA Insured Mortgage), Series B, which are expected to be fully paid by August 1, 2018, the City's annual assistance grant will be \$12.0 million. After 2018, the annual assistance grant will equal the annual mortgage amount then due on the FHA secured mortgage, an amount slightly less than \$12 million. The City has also agreed to reimburse BMC for up to \$5.0 million of extraordinary costs of consolidating the operations of BCH, BSRH and BUMCH, payable \$1.0 million in each of the fiscal years 1997 through 2001, and to provide capital grants to BMC aggregating \$25 million for the construction or renovation of facilities on the former BCH campus and the acquisition of capital equipment over the next four fiscal years. The merger agreements further obligate the City to complete approximately \$11.5 million of capital expenditures on the former BCH campus commenced prior to the merger and previously financed by City bonds and to fund up to \$7.6 million of additional capital improvements on the campus to correct environmental and other code compliance deficiencies.

In addition, BMC has agreed to pay rent to the Commission under the lease in amounts in the aggregate equal to the debt service cost on all City general obligation bonds allocable to BCH outstanding at June 30, 1996, and on the FHA insured mortgage which secures the City's Revenue Refunding Bonds, Boston City Hospital (FHA Insured Mortgage), Series B (see note 7).

#### *(b) Bond Issue*

On November 13, 1996, the City sold \$90 million of General Obligation Bonds 1996 Series A, at interest rates ranging from 5% to 5-1/2%. The bonds were issued for various capital improvement projects and are scheduled to mature through the year 2016.



**CITY OF BOSTON, MASSACHUSETTS**  
State-Boston Retirement System

Required Supplementary Information  
(Unaudited)  
(Dollar amounts in thousands)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/96	\$ 1,834,000	\$ 2,940,000	\$ 1,106,000	62.4%	\$ 777,000	142.3%
01/01/95	1,509,000	2,901,000	1,392,000	52.0%	713,000	195.1%
01/01/94	1,523,000	2,745,000	1,222,000	55.5%	696,000	175.6%
06/30/93	1,354,000	2,598,000	1,244,000	52.1%	679,000	183.2%
06/30/91	1,061,000	2,342,000	1,281,000	45.3%	663,000	193.2%

Information prior to June 30, 1991 is not available.

Schedule of Contributions from Employers and the Commonwealth of Massachusetts

Year Ended December 31	Annual Required Contribution	Percentage Contributed
1995	\$ 141,032	100%
1994	125,890	100
1993	146,279	100
1992	181,633	100
1991	145,844	100
1990	141,985	100
1989	138,929	100

Notes to Schedules

Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 1996
Actuarial cost method	Individual entry age normal
Amortization method	Approximate level percent of payroll-open
Remaining amortization period	24 years (for original unfunded)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8%
Projected salary increases	5.5%
Cost-of-living adjustments	None (funded by Commonwealth of Massachusetts)



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## **GENERAL FUND**

The general fund is the operating fund of the City. It is used to account for all revenues, expenditures and other financial resources except those required to be accounted for in other funds.



**Exhibit A-1**

**GENERAL FUND**  
Comparative Balance Sheets  
June 30, 1996 and 1995  
(in thousands)

<b>ASSETS</b>	<b><u>1996</u></b>	<b><u>1995</u></b>
Cash and investments.....	\$ 253,935	\$ 220,398
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):		
Property taxes.....	106,762	108,418
Motor vehicle excise.....	7,280	10,989
Intergovernmental.....	35,000	35,500
Departmental and other.....	6,213	4,908
Total receivables.....	<u>155,255</u>	<u>159,815</u>
Due from other funds.....	10,429	20,540
Total assets.....	\$ <u><u>419,619</u></u>	\$ <u><u>400,753</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Warrants and accounts payable.....	\$ 122,085	\$ 75,606
Accrued liabilities:		
Tax abatement refunds.....	84,805	83,667
Other.....	24,825	24,431
Due to other funds.....	894	812
Deferred revenue.....	109,903	117,291
Matured interest and bonds payable.....	661	776
Total liabilities.....	<u>343,173</u>	<u>302,583</u>
Fund balance:		
Reserved for:		
Encumbrances and continuing appropriations.....	9,579	8,534
Unreserved:		
Undesignated.....	66,867	89,636
Total fund balance.....	<u>76,446</u>	<u>98,170</u>
Total liabilities and fund balance.....	\$ <u><u>419,619</u></u>	\$ <u><u>400,753</u></u>

**Exhibit A-2**

**GENERAL FUND**

Comparative Statements of Revenues, Expenditures and Changes in Fund Balance  
Years Ended June 30, 1996 and 1995  
(in thousands)

	<u>1996</u>	<u>1995</u>
<b>REVENUES:</b>		
Local:		
Real and personal property taxes, net.....	\$ 687,404	\$ 654,830
Excises.....	57,339	52,773
Payments in lieu of taxes.....	49,540	47,729
Fines.....	47,373	50,086
Investment income.....	22,925	13,010
Licenses and permits.....	19,970	15,152
Departmental and other revenue.....	42,724	37,386
Total local revenues.....	<u>927,275</u>	<u>870,966</u>
Intergovernmental:		
Commonwealth of Massachusetts.....	360,020	346,317
Total intergovernmental revenues.....	<u>360,020</u>	<u>346,317</u>
Total revenues.....	<u>1,287,295</u>	<u>1,217,283</u>
<b>EXPENDITURES:</b>		
Current:		
General government.....	44,060	35,342
Human services.....	5,062	5,296
Public safety.....	279,098	269,189
Public works.....	60,700	52,466
Property and development.....	26,103	23,087
Parks and recreation.....	10,700	10,406
Library.....	23,412	22,276
Schools.....	453,572	422,359
County.....	9,592	14,521
Judgments and claims.....	9,872	9,486
Other employee benefits.....	67,989	66,348
Retirement costs.....	68,068	68,230
State and district assessments.....	61,600	60,080
Operating subsidy to Department of Health & Hospitals.....	70,786	49,137
Capital outlays.....	5,613	17,401
Debt Service.....	78,527	84,222
Total expenditures.....	<u>1,274,754</u>	<u>1,209,846</u>
Excess (deficiency) of revenues over expenditures.....	<u>12,541</u>	<u>7,437</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds from refinancing lease purchase agreement.....	20,814	-
Payments to escrow agent.....	(20,760)	-
Operating transfers in .....	636	577
Total other financing sources (uses).....	<u>690</u>	<u>577</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses.....	13,231	8,014
<b>DISCONTINUED OPERATIONS:</b>		
Loss on disposal.....	<u>(34,955)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures, other financing uses and discontinued operations.....	(21,724)	8,014
Fund balance, beginning of year .....	98,170	90,156
Fund balance, end of year.....	\$ <u>76,446</u>	\$ <u>98,170</u>

## Exhibit A-3

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996				Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual			
<b>PROPERTY TAXES</b>						
Real and Personal Property Taxes.....	\$ 682,680	\$ 682,680	\$ 682,694	\$ 14	\$	646,049
Revenue class total	682,680	682,680	682,694	14		646,049
<b>MOTOR VEHICLE EXCISE</b>						
Motor Vehicle Excise - Current .....	22,600	22,600	16,213	(6,387)		22,934
Motor Vehicle Excise - Prior Years.....	-	-	11,428	11,428		1,543
Boat Excise - Current .....	20	20	3	(17)		20
Revenue class total	22,620	22,620	27,644	5,024		24,497
<b>OTHER EXCISE TAXES</b>						
Hotel / Motel Room Excise.....	15,700	15,700	17,582	1,882		16,703
Aircraft Fuel Excise.....	12,500	12,500	12,011	(489)		11,497
Condominium Con. Excise.....	90	90	102	12		76
Urban Redevelopment Ch.121A.....	21,667	21,667	23,877	2,210		26,121
Revenue class total	49,957	49,957	53,572	3,615		54,397
<b>COMMONWEALTH OF MASSACHUSETTS</b>						
State Owned Lands.....	93	93	144	51		241

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
R.E. Abatements - Elderly.....	37	37	73	36	30
R.E. Abatements - Other.....	264	264	264	0	264
R.E. Abatements - Blind.....	27	27	55	28	27
Elderly Exemptions 1977 Chapter 967.....	909	909	911	2	909
Municipal Stabilization Aid.....	-	-	1,701	1,701	-
State Lottery Local Aid.....	37,496	37,496	37,489	(7)	33,010
Highways - Local Aid.....	836	836	836	0	836
Veterans Services - Local Aid.....	1,138	1,138	1,455	317	801
Pensions - Retired Teachers.....	35,500	35,500	34,822	(678)	33,730
Local Aid - Add'l Assistance Chapter 36.....	206,638	206,638	206,638	0	206,638
Racing Taxes.....	399	399	413	14	286
School Construction - State.....	13,025	13,025	12,941	(84)	11,931
School Aid Chapter 70.....	86,016	86,016	86,267	251	81,494
Transportation of Pupils.....	9,758	9,758	10,142	384	9,849
Tuition For Statewards.....	350	350	587	237	-
Revenue class total	392,486	392,486	394,738	2,252	380,046

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
HEALTH AND HOSPITALS					
Boston City Hospital.....	180,734	180,734	199,841	19,107	167,347
Mattapan Hospital.....	12,000	12,000	6,978	(5,022)	12,347
Revenue class total	192,734	192,734	206,819	14,085	179,694
DEPARTMENTAL & OTHER REVENUE					
Penalties & Interest - Property Taxes.....	1,200	1,200	1,335	135	1,368
Penalties & Interest - Motor Vehicle.....	1,500	1,500	2,188	688	2,100
Penalties & Interest - Tax Title.....	4,000	4,000	5,097	1,097	5,755
Penalties & Interest - Boat Excise.....	-	-	-	0	1
Damage to City Property.....	-	-	1	1	-
Data Processing Services.....	-	-	-	0	3
Purchasing Services.....	50	50	91	41	63
Registry Division Fees.....	800	800	814	14	811
City Record Sale of Publications.....	56	56	48	(8)	78
Assessing Fees.....	30	30	37	7	32
Liens.....	600	600	666	66	595
City Clerk Fees.....	350	350	379	29	348

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance		1995 Actual
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)		
Election Fees.....	75	75	115	40	142	
Rent Equity Fees.....	5	5	-	(5)	89	
Public Health Support Payments.....	4,900	10,915	10,915	0	4,385	
City Council Sale of Publications.....	1	1	1	0	1	
Other General Services.....	30	30	47	17	29	
Police Services.....	850	850	910	60	835	
Fire Services.....	1,600	1,600	1,728	128	1,797	
Parking Facilities.....	1,305	1,305	1,902	597	1,883	
Street, Sidewalk and Curb Repairs.....	2,300	2,300	2,112	(188)	2,244	
Real Property - Rents.....	-	-	-	0	3	
Demolition of Abandoned Structures.....	10	10	240	230	6	
Building - Rents.....	440	440	358	(82)	359	
Other Revenues - Public Facilities.....	85	85	91	6	91	
Concessions - Parks.....	10	10	17	7	11	
Miscellaneous - Parks.....	-	-	-	0	3	
Veterans Services.....	-	-	-	0	51	
Public Works - Recycling.....	590	590	281	(309)	-	
Public Works - Other Charges.....	3	3	6	3	2	
Tuition and Transportation - Schools.....	475	475	313	(162)	461	
Instructions - Schools.....	5	5	-	(5)	2	

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996		Variance		1995 Actual
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	
Miscellaneous Receipts - Schools.....	25	25	21	(4)	11
Library Fees.....	156	156	159	3	160
Library of Last Recourse.....	-	2,532	2,532	-	2,558
Registry of Deeds.....	1,700	1,700	1,630	(70)	1,528
Telephone Commissions - Jail.....	-	-	-	0	9
Telephone Commissions - Real Property.....	120	120	126	6	129
City Workers' Comp. Reimbursement.....	1,200	1,200	1,063	(137)	1,017
Settlements.....	800	800	894	94	617
Special Prosecutors Office.....	15	15	55	40	-
Pensions and Annuities.....	2,200	2,200	2,014	(186)	1,710
Indirect Costs Reimbursement.....	500	500	630	130	300
Private Detail - Payroll.....	-	-	-	0	8
Fire Department Special Detail.....	-	-	3	3	-
Miscellaneous Law.....	-	-	155	155	-
Insurance Proceeds.....	-	-	4	4	1
Prior Year Reimbursements.....	150	150	1,862	1,712	884
Miscellaneous Refunds.....	69	69	177	108	153
Miscellaneous Collections.....	18	18	23	5	16
Child Support Reimbursement.....	33	33	35	2	37

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Mayor's Office.....	-	-	-	0	20
Miscellaneous - Treasury.....	105	105	378	273	417
Paid Detail - Administrative Fees.....	1,450	1,450	1,337	(113)	1,411
Public Facilities - Administrative Fees.....	10	10	10	0	7
Fire - Administrative Fees.....	100	100	160	60	104
Parks and Recreation 10% Admin Fee.....	-	-	2	2	1
Revenue class total	29,921	38,468	42,962	4,494	34,646
<b>FINES</b>					
Parking Fines.....	42,800	42,800	15,172	(27,628)	15,764
Mail Collection of Parking fines.....	-	-	28,520	28,520	32,100
Municipal Criminal Court.....	28	28	38	10	25
Municipal Civil Court.....	1,976	1,976	3,173	1,197	2,237
East Boston District Court.....	60	60	42	(18)	58
Brighton District Court.....	35	35	46	11	37
Charlestown District Court.....	-	-	3	3	-
Dorchester District Court.....	20	20	17	(3)	21
Roxbury District Court.....	17	17	18	1	19
South Boston District Court.....	14	14	20	6	23
West Roxbury District Court.....	19	19	21	2	23

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996				1995 Actual
	Original Budget	Final Budget	Actual	Variance	
				Favorable (Unfavorable)	
ISD - Board of Appeals.....	1	1	1	0	1
County Jail.....	-	-	-	0	1
Code Enforcement.....	131	131	167	36	92
Revenue class total	45,101	45,101	47,238	2,137	50,401
PAYMENTS IN LIEU OF TAXES					
Boston College.....	178	178	181	3	175
New England Deaconess Hospital.....	42	42	42	0	42
New England Medical Center Hospital.....	332	332	543	211	430
Blue Cross / Blue Shield.....	440	440	485	45	895
Old City Hall.....	550	550	553	3	433
Boston University.....	350	350	770	420	381
Mass Port Authority.....	10,000	10,000	9,833	(167)	6,018
Sale of Property - Special Taxes.....	40	40	125	85	94
Comm. of Mass - Special Taxes.....	-	-	(3)	(3)	3
Berkeley School.....	150	150	147	(3)	148
Trimount Foundation.....	14	14	14	0	14
Harvard Community Health Plan.....	223	223	201	(22)	169

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Mass General Hospital.....	1,450	1,450	1,434	(16)	1,434
Harvard University.....	1,100	1,100	1,133	33	1,120
Suffolk University.....	45	45	46	1	48
Simmons College.....	23	23	8	(15)	22
Northeastern University.....	124	124	124	0	124
New England Nursing Home.....	56	56	56	0	56
New England School of Law.....	13	13	13	0	13
Brigham and Women's Hospital.....	529	529	529	0	495
Tufts University.....	16	16	16	0	15
Section 2C.....	20	20	74	54	(30)
University Hospital.....	63	63	63	0	47
Museum of Fine Arts.....	39	39	42	3	39
Children's Hospital.....	206	206	183	(23)	-
Showa.....	76	76	77	1	75
Wentworth Institute.....	2	2	2	0	2
Emerson College.....	19	19	19	0	19
Spaulding Rehabilitation Hospital.....	48	48	51	3	35
MASCO.....	62	62	63	1	61
Beth Israel Hospital.....	125	125	125	0	125
Massachusetts Mental Health Program.....	20	20	20	0	19
E.O.C.D.....	11	11	11	0	14

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Bay Cove Human Services.....	10	10	-	(10)	12
Domicilia.....	3	3	3	0	11
Noble School House.....	15	15	-	(15)	-
Wang.....	50	50	94	44	-
Mass College of Pharmacy.....	32	32	28	(4)	-
Boston Housing Authority.....	302	302	251	(51)	-
Charlesbank Apartments.....	125	125	-	(125)	-
Prudential Insurance Co.....	-	-	113	113	86
Franklin Square Apartments.....	162	162	-	(162)	-
Jamaica Tower and Townhouse.....	136	136	119	(17)	29
Back Bay Manor Apartments.....	1	1	30	29	-
St. Joseph Community Inc.....	3	3	2	(1)	-
Jewish Comm. Housing Elderly Inc.....	60	60	73	13	69
Roxse Homes, Inc.....	62	62	-	(62)	-
Charles Newtown Housing, Inc.....	100	100	-	(100)	-
One Beacon Street.....	1,578	1,578	1,162	(416)	1,246
Mass Pike Towers.....	60	60	-	(60)	-
Jewish Comm. Housing Elderly II.....	72	72	81	9	77
Newcastle Associates.....	36	36	-	(36)	-
Summer Street Realty Corp.....	90	90	-	(90)	-

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Tenants Development Corp.....	87	87	125	38	95
Gardner Apartments Associates.....	-	-	2	2	-
Vivindas Associates.....	81	81	124	43	104
Mercantile Wharf Associates.....	45	45	41	(4)	48
Quincy Tower Associates.....	81	81	83	2	81
Franklin Park Associates.....	71	71	82	11	80
Jamaica Plain Associates.....	51	51	-	(51)	-
Citizens Bank.....	63	63	31	(32)	73
Allied Stores Gen. Re. Corp.....	611	611	656	45	656
Conway Court Associates.....	12	12	-	(12)	-
Jewish Comm. Housing Elderly III.....	77	77	80	3	85
Anderson Street Associates.....	34	34	27	(7)	35
Mission Park Corp.....	-	-	5	5	9
Concord House Company.....	-	-	2	2	1
Medical Area Total Energy.....	902	902	1,201	299	1,065
Symphony Plaza East.....	151	151	-	(151)	-
Symphony Plaza West.....	170	170	-	(170)	-
Madison Park III Associates.....	117	117	120	3	118
Victory Gardens Associates.....	8	8	-	(8)	9
Reservoir Towers Associates.....	146	146	162	16	148
Bowdoin School Associates.....	8	8	8	0	8

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Borinquen Associates.....	15	15	14	(1)	15
Ausonia Homes Associates.....	122	122	135	13	217
Smith House Associates.....	-	-	1	1	1
Haynes House Associates.....	-	-	2	2	2
Madison Park IV Associates.....	149	149	146	(3)	150
Cottage Brook Associates.....	41	41	54	13	57
Intervale - Magnolia Associates.....	46	46	50	4	58
Woodledge Associates.....	74	74	80	6	65
Woodbourne Community Housing Corp.....	5	5	3	(2)	-
Weld Park Associates.....	2	2	-	(2)	-
School House '77 Associates.....	41	41	16	(25)	28
Peterborough House Associates.....	202	202	207	5	205
Mason Place Company.....	5	5	-	(5)	-
Keystone Apartments Co.....	213	213	208	(5)	210
Stearns Company.....	-	-	11	11	-
Blake Estates Associates.....	155	155	157	2	158
Immobiliare New England.....	10	10	24	14	11
Servicenter, Inc.....	4	4	16	12	18
Taurus At Fountain Hill.....	78	78	73	(5)	196
Marcus Garvey Associates.....	99	99	93	(6)	101
St. Botolph Terrace.....	22	22	22	0	23

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance	1995 Actual
	Original Budget	Final Budget	Actual	Favorable (Unfavorable)	
Casa Maria Housing Corp.....	2	2	-	(2)	-
Hemenway Apt. Co.....	209	209	-	(209)	209
Anderson St. Associates II.....	-	-	-	0	12
Blake Estates Associates II.....	87	87	84	(3)	88
Back Hill Comm. Devel. Associates.....	50	50	48	(2)	59
Back Bay Associates.....	-	-	150	150	118
Downtown Boston Prop. Trust.....	-	-	400	400	409
Boston Rehab Associates.....	62	62	2	(60)	62
Savin Hill Apartments Co.....	133	133	132	(1)	132
Wait Street Associates.....	95	95	-	(95)	99
Adams and Templeton Associates.....	52	52	77	25	85
B'nai B'rith Senior Citizens Housing.....	152	152	104	(48)	74
Brighton Allston Elderly Home.....	29	29	32	3	31
Bradford Towers Associates.....	303	303	226	(77)	241
Devonshire Towers Trust.....	-	-	491	491	441
1000 Washington Street Inc.....	-	-	130	130	123
Sarah Baker Manor Associates.....	37	37	35	(2)	37
On Luck Housing Devel. Inc.....	13	13	14	1	14
Lafayette Place Hotel Associates.....	-	-	484	484	310
Governor Apt. Associates.....	90	90	90	0	91

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
Fieldstone Associates.....	10	10	-	(10)	-
Atrium on Comm. Ave.....	-	-	9	9	14
Dorchester Housing Associates.....	86	86	-	(86)	88
Charles H Farnsworth Housing Corp.....	48	48	51	3	56
ETC Development Corp.....	158	158	146	(12)	160
RHC and Associates.....	56	56	56	0	57
Building 42 Associates.....	-	-	(449)	(449)	128
Mt. Pleasant Associates.....	115	115	115	0	109
Angela Westover Housing Corp.....	17	17	16	(1)	14
Oxford Place Associates.....	40	40	44	4	-
Rogerson Beacon Associates.....	78	78	(5)	(83)	79
Dimock-Bragdon Associates.....	39	39	78	39	-
Council of Elders.....	-	-	23	23	2
City Square Elderly Housing.....	61	61	68	7	61
Immobiliare - Building 103.....	-	-	-	0	4
Boston Garden Corporation.....	75	75	22	(53)	-
Miscellaneous In Lieu.....	299	299	(7)	(306)	7
Revenue class total	25,657	25,657	25,663	6	21,609

(continued)

## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
<b>INVESTMENT INCOME</b>					
Interest on Investments.....	14,000	19,498	22,856	3,358	13,963
Revenue class total	14,000	19,498	22,856	3,358	13,963
<b>LICENSES AND PERMITS</b>					
Building Structures and Permits.....	7,749	7,947	11,778	3,831	7,629
Weights and Measures.....	160	160	180	20	127
Street and Curb Permits.....	1,050	1,050	1,204	154	1,078
Pre-rental Inspections.....	20	20	19	(1)	-
Misc Charges-Inspectional Services.....	6	6	9	3	-
Public Safety-Inspectional Services.....	12	12	10	(2)	-
Health Inspections.....	850	850	1,034	184	774
Alcoholic Beverages and Licenses.....	2,170	2,170	2,195	25	2,177
Entertainment Licenses.....	450	450	440	(10)	454
Police and Protective Permits.....	425	425	413	(12)	404
Professional & Occupational Licenses.....	100	100	94	(6)	94
Other Business Licenses and Permits.....	800	800	870	70	812
Cable Television.....	1,600	1,600	1,629	29	1,546
Burial Permits.....	100	100	95	(5)	57
Revenue class total	15,492	15,690	19,970	4,280	15,152

(continued)



## Exhibit A-3 (continued)

## GENERAL FUND

## Schedule of Revenues and Other Financing Sources Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

Classification	1996			Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual		
<b>SALE OF PROPERTY</b>					
Sale of City Property.....	500	500	500	0	500
Revenue class total	500	500	500	0	500
<b>TRANSFERS AND OTHER AVAILABLE FUNDS</b>					
Appropriated Cemetery Trustee.....	500	500	500	0	600
Appropriated Parking Meter Receipts.....	7,000	7,000	7,000	0	3,500
Other Available Funds.....	-	-	-	0	-
Revenue class total	7,500	7,500	7,500	-	4,100
Total Revenues and Other Financing Sources	\$ 1,478,648	\$ 1,492,891	\$ 1,532,156	\$ 39,265	\$ 1,425,054



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## Exhibit A-4

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual			
GENERAL GOVERNMENT						
Mayor's Office.....	\$ 1,465	\$ 1,555	\$ 1,553	\$ 2	\$ 1,393	
City Council.....	2,810	2,810	2,660	150	2,494	
Consumer Affairs and Licensing.....	372	372	316	56	297	
Office of Community Partnerships.....	597	599	599	0	543	
Election Department - Election Division.....	2,658	2,795	2,748	47	2,359	
Election Department - Listing Board.....	427	410	326	84	421	
Auditing Department.....	1,418	1,418	1,377	41	1,386	
Assessing Department.....	4,792	4,792	4,696	96	4,801	
Treasury Department - Collecting Division.....	2,412	2,437	2,364	73	2,198	
Treasury Department - Treasury Division.....	1,342	1,317	1,235	82	1,044	
Office of Budget Management.....	1,834	3,620	3,406	214	1,934	
Human Resources.....	1,231	1,271	1,220	51	1,212	
Purchasing Division.....	977	1,017	1,007	10	837	
Office of Chief Operating Officer.....	377	453	452	1	398	
Printing Division.....	1,231	1,191	1,049	142	1,155	
Office Labor Relations.....	468	683	542	141	455	
Management Information System.....	6,805	6,652	6,651	1	6,632	
Intergovernmental Relations.....	775	775	775	0	744	
Law Department.....	3,850	4,220	3,962	258	3,433	
Workers' Compensation Division.....	513	513	510	3	474	

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				1995
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
Minority/Women's Business.....	348	358	351	7	231
Office of Boston Residents Job Policy.....	275	275	260	15	-
City Clerk.....	625	625	625	0	612
Registry Division.....	711	711	708	3	657
Management Fund.....	210	210	210	0	329
Finance Commission.....	145	145	144	1	139
Transportation/Central Artery.....	-	-	-	0	14
Reserve Fund.....	755	755	755	0	-
Office of Civil Rights.....	592	592	390	202	442
Emergency Shelter Commission.....	386	386	366	20	311
Press Office.....	199	199	189	10	187
Neighborhood Services.....	1,025	1,112	1,110	2	1,002
Special Events and Tourism.....	975	975	971	4	931
Capital Planning.....	283	283	260	23	203
Women's Commission.....	116	116	111	5	98
Office of Cultural Affairs.....	312	316	315	1	279
Costs of Issuance - RANS.....	500	500	126	374	208
Annual Audit Costs.....	600	600	581	19	335
Function Total	44,411	47,058	44,920	2,138	40,188
<b>HUMAN SERVICES</b>					
Rent Equity Board.....	1,091	1,091	1,066	25	1,279
Elderly Commission.....	1,909	1,934	1,913	21	1,722
Veterans Services Department.....	2,488	2,488	2,387	101	2,420
Function Total	5,488	5,513	5,366	147	5,421

(continued)



## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				1995
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	Actual
PUBLIC SAFETY					
Police Department.....	155,145	155,145	155,994	(849)	146,055
Fire Department.....	92,008	92,008	94,112	(2,104)	91,733
Transportation - Traffic Division.....	14,944	14,994	14,895	99	14,510
Transportation - Parking Clerk.....	7,665	7,615	7,481	134	7,512
Transportation - Central Fleet Maintenance.....	1,326	1,326	1,163	163	-
Licensing Board.....	435	438	400	38	417
Inspectional Services Department.....	8,697	8,994	8,489	505	8,300
Youth Fund.....	4,250	5,050	4,988	62	4,179
Function Total	284,470	285,570	287,522	(1,952)	272,706
PUBLIC WORKS					
Public Works Department.....	53,295	53,295	52,418	877	51,148
Snow Removal.....	3,250	3,250	10,732	(7,482)	2,744
Function Total	56,545	56,545	63,150	(6,605)	53,892
PROPERTY AND DEVELOPMENT					
Property Management.....	11,950	12,110	12,071	39	10,300
Public Facilities Department.....	4,145	4,145	4,132	13	3,628
					(continued)

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual			
PFD - Community Schools Division.....	10,870	10,870	10,347	523	9,321	
Function Total	26,965	27,125	26,550	575	23,249	
<b>PARKS AND RECREATION</b>						
Parks and Recreation Department.....	8,951	9,071	9,066	5	8,779	
Environment Department.....	687	687	671	16	560	
Cemetery Division.....	1,472	1,472	1,282	190	1,301	
Function Total	11,110	11,230	11,019	211	10,640	
<b>LIBRARY</b>						
Library Department.....	20,895	23,427	23,414	13	22,254	
Function Total	20,895	23,427	23,414	13	22,254	
<b>SCHOOLS</b>						
General School Purposes.....	444,654	456,167	456,151	16	424,943	
Function Total	444,654	456,167	456,151	16	424,943	
<b>HEALTH AND HOSPITALS</b>						
Health and Hospitals Department.....	248,904	248,904	282,302	(33,398)	218,447	
Function Total	248,904	248,904	282,302	(33,398)	218,447	
<b>COUNTY</b>						
Registry of Deeds.....	1,606	1,606	1,588	18	1,557	
Suffolk County Jail.....	8,000	8,000	8,000	0	12,979	
Function Total	9,606	9,606	9,588	18	14,536	

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				1995 Actual
	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)	
<b>JUDGMENTS AND CLAIMS</b>					
Execution of Courts.....	8,500	9,050	9,954	(904)	12,203
Function Total	8,500	9,050	9,954	(904)	12,203
<b>OTHER EMPLOYEE BENEFITS</b>					
Medicare Payments.....	1,620	1,620	1,942	(322)	1,690
Health Benefits and Insurance.....	66,688	64,724	62,755	1,969	62,619
Unemployment Compensation.....	50	50	1	49	3
Workers' Compensation Fund.....	3,729	4,279	3,459	820	5,038
Function Total	72,087	70,673	68,157	2,516	69,350
<b>PENSION COSTS</b>					
Retirement Board.....	1,361	1,361	1,361	0	1,124
Pensions and Annuities - City.....	6,900	6,900	6,145	755	7,200
Pensions and Annuities - County.....	550	550	443	107	496
State - Boston Retirement System.....	93,081	93,081	94,105	(1,024)	101,655
Function Total	101,892	101,892	102,054	(162)	110,475
<b>STATE &amp; DISTRICT ASSESSMENTS</b>					
State Exam of Retirement.....	297	297	297	0	270
Health Insurance/Retirement.....	759	759	727	32	869

(continued)

## Exhibit A-4 (continued)

## GENERAL FUND

## Schedule of Expenditures, Encumbrances and Other Financing Uses Compared to Budget (Budgetary Basis)

Year Ended June 30, 1996

(in thousands)

(with comparative actual amounts for 1995)

	1996				Variance Favorable (Unfavorable)	1995 Actual
	Original Budget	Final Budget	Actual			
Parking Surcharge.....	4,038	4,038	4,060	(22)		4,039
Mosquito Control Projects.....	162	162	131	31		121
Special Education Chapter 766.....	495	495	451	44		413
Metropolitan Air Pollution Center.....	116	116	116	0		114
Metropolitan Area Planning .....	124	124	124	0		121
M.B.T.A. Assessments.....	55,768	55,768	55,684	84		54,122
M.D.C. Assessments.....	11	11	10	1		11
Function Total	61,770	61,770	61,600	170		60,080
<b>DEBT REQUIREMENTS</b>						
Redemption of City Loans.....	48,664	48,664	48,548	116		53,096
City Debt and Interest Payments.....	29,687	29,687	29,654	33		31,577
Interest on Temporary Notes.....	3,000	10	-	10		-
Function Total	81,351	78,361	78,202	159		84,673
Total Expenditures \$	1,478,648	1,492,891	1,529,949	(37,058)	\$	1,423,057





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## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources, other than debt service, trust funds or capital projects, that are legally restricted for specific purposes.

**City Fund** accounts for a number of small federal and state grants administered by the City's individual departments. These funds provide additional support to department programs.

**Revolving Fund** accounts for funds that are set aside, generally by state statute, that are used to support the City's general fund operations. These funds are directly linked to a specific activity and are available without further City Council Appropriation.

**Boston Public Schools** accounts for funds provided by the U.S. Department of Education and the Commonwealth's Department of Education for the Boston Public Schools. These funds directly support a number of educational programs for the City's residents.

**Boston Public Library** transferred the fund's beginning equity to a nonexpendable trust fund on July 1, 1995.

**Community Development Block Grants** (CDBG) are funds from the U.S. Department of Housing and Urban Development (HUD) through the Community Development Block Grant program. These funds are used to support eligible community development and social programs.

**Empowerment Zone Program** are funds provided through HUD's Empowerment Zone program. These grants are used for various residential, commercial and industrial projects within the City.

**Home Bill Program** are funds used to support housing, commercial development and social service programs in City neighborhoods.

**Neighborhood Development Fund** (NDF) accounts for loan repayments from the Urban Development Action Grants (UDAG). These funds are used for Title I eligible activities in the City's neighborhoods.

**Building Loan Program** are short term loans for eligible activities provided through the CDBG's program's unexpended balances.

**HUD Grants Fund** accounts for funds primarily used to either benefit low and moderate income persons or aid in the prevention or elimination of slums or blight.

**Neighborhood Research** accounts for funds that the City may receive for neighborhood planning and assistance.

**Boston Redevelopment Authority** accounts for funds provided by CDBG, UDAG and NDF. The Authority was created for the general purpose of planning, coordinating and assisting in the revitalization and development of the Boston area.

**Exhibit B-1**

**SPECIAL REVENUE FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<u>City Fund</u>	<u>Revolving Fund</u>	<u>Boston Public Schools</u>
<b>ASSETS</b>			
Cash and investments.....	\$ -	\$ 89,497	\$ -
Restricted cash and investments.....	-	-	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	4,294	67	10,766
Departmental and other.....	273	15	41
Total receivables.....	<u>4,567</u>	<u>82</u>	<u>10,807</u>
Due from other funds.....	-	-	-
Other assets.....	-	-	-
Total assets.....	<u>\$ 4,567</u>	<u>\$ 89,579</u>	<u>\$ 10,807</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Warrants and accounts payable.....	\$ 2,695	\$ 1,482	\$ 9,975
Accrued liabilities:			
Other.....	-	30,862	-
Due to other funds.....	-	-	-
Deferred revenue.....	-	-	-
General obligation bonds and notes payable.....	-	-	-
Total liabilities.....	<u>2,695</u>	<u>32,344</u>	<u>9,975</u>
Fund balance:			
Reserved for:			
Encumbrances and continuing appropriations.....	3,231	5,488	1,633
Unreserved:			
Undesignated.....	(1,359)	51,747	(801)
Total fund balance.....	<u>1,872</u>	<u>57,235</u>	<u>832</u>
Total liabilities and fund balance.....	<u>\$ 4,567</u>	<u>\$ 89,579</u>	<u>\$ 10,807</u>

**City of Boston, Massachusetts**

<b>Boston Public Library</b>	<b>Community Development Block Grant</b>	<b>Empowerment Zone Program</b>	<b>Home Bill Program</b>	<b>Neighborhood Development</b>
\$ -	\$ 4,499	\$ 1,345	\$ -	\$ 11,614
-	-	-	-	18,448
-	2,095	-	1,037	181
-	313	-	-	-
<u>0</u>	<u>2,408</u>	<u>0</u>	<u>1,037</u>	<u>181</u>
-	34	-	-	-
-	-	-	-	-
<u>\$ 0</u>	<u>\$ 6,941</u>	<u>\$ 1,345</u>	<u>\$ 1,037</u>	<u>\$ 30,243</u>
\$ -	\$ 1,920	\$ 87	\$ 763	\$ 1,461
-	2,603	-	-	2,607
-	154	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>0</u>	<u>4,677</u>	<u>87</u>	<u>763</u>	<u>4,068</u>
-	15,655	2,733	5,506	14,516
-	(13,391)	(1,475)	(5,232)	11,659
<u>0</u>	<u>2,264</u>	<u>1,258</u>	<u>274</u>	<u>26,175</u>
<u>\$ 0</u>	<u>\$ 6,941</u>	<u>\$ 1,345</u>	<u>\$ 1,037</u>	<u>\$ 30,243</u>

(continued)



Exhibit B-1 (continued)

**SPECIAL REVENUE FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

		<b>Building Loan Program</b>	<b>HUD Grants</b>
<b>ASSETS</b>			
Cash and investments.....	\$	-	\$ -
Restricted cash and investments.....		-	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....		-	704
Departmental and other.....		-	-
Total receivables.....		<u>0</u>	<u>704</u>
Due from other funds.....		-	-
Other assets.....		-	-
Total assets.....	\$	<u>0</u>	\$ <u>704</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Warrants and accounts payable.....	\$	3,395	\$ 497
Accrued liabilities:			
Other.....		-	-
Due to other funds.....		-	7
Deferred revenue.....		-	-
General obligation bonds and notes payable.....		-	-
Total liabilities.....		<u>3,395</u>	<u>504</u>
Fund balance:			
Reserved for:			
Encumbrances and continuing appropriations.....		-	21,854
Unreserved:			
Undesignated.....		(3,395)	(21,654)
Total fund balance.....		<u>(3,395)</u>	<u>200</u>
Total liabilities and fund balance.....	\$	<u>0</u>	\$ <u>704</u>

**City of Boston, Massachusetts**

Neighborhood Research	Boston Redevelopment Authority	Totals	
		1996	1995
\$ 276	\$ 4,747	\$ 111,978	\$ 123,154
-	-	18,448	20,951
-	1,220	20,364	20,356
-	15,748	16,390	22,593
<u>0</u>	<u>16,968</u>	<u>36,754</u>	<u>42,949</u>
-	-	34	6,635
-	-	-	10,961
<u>\$ 276</u>	<u>\$ 21,715</u>	<u>\$ 167,214</u>	<u>\$ 204,650</u>
\$ -	\$ 1,069	\$ 23,344	\$ 17,957
-	2,354	38,426	31,810
-	-	161	7,444
-	15,458	15,458	23,723
-	-	-	13,439
<u>0</u>	<u>18,881</u>	<u>77,389</u>	<u>94,373</u>
-	-	70,616	34,072
276	2,834	19,209	76,205
<u>276</u>	<u>2,834</u>	<u>89,825</u>	<u>110,277</u>
<u>\$ 276</u>	<u>\$ 21,715</u>	<u>\$ 167,214</u>	<u>\$ 204,650</u>

**Exhibit B-2**

**SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<u>City Fund</u>	<u>Revolving Fund</u>	<u>Boston Public Schools</u>
<b>REVENUES:</b>			
Local:			
Investment income.....	\$ -	\$ -	\$ -
Departmental and other revenue.....	174	9,430	-
Total local revenues.....	<u>174</u>	<u>9,430</u>	<u>0</u>
Intergovernmental:			
Federal .....	8,671	1,996	56,156
Commonwealth of Massachusetts.....	61,523	4,221	6,241
Total intergovernmental revenues.....	<u>70,194</u>	<u>6,217</u>	<u>62,397</u>
Total revenues.....	<u>70,368</u>	<u>15,647</u>	<u>62,397</u>
<b>EXPENDITURES:</b>			
Current operations:			
General government.....	840	2,114	-
Human services.....	3,259	26	-
Public safety.....	10,462	8,191	-
Public works.....	19	-	-
Parks and recreation.....	2,185	1,204	-
Library.....	-	1,222	-
Schools.....	-	346	66,808
County.....	59,157	2,695	-
Retirement costs.....	-	-	-
Community development.....	1,592	369	-
Capital outlays.....	1,064	-	2,160
Debt service.....	-	-	-
Total expenditures.....	<u>78,578</u>	<u>16,167</u>	<u>68,968</u>
Excess (deficiency) of revenues over expenditures.....	<u>(8,210)</u>	<u>(520)</u>	<u>(6,571)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of debt.....	-	-	-
Operating transfers (out) .....	-	(22)	-
Total other financing sources (uses).....	<u>0</u>	<u>(22)</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses before extraordinary item.....	(8,210)	(542)	(6,571)
<b>EXTRAORDINARY ITEMS</b>			
Gain on early retirement of debt.....	-	-	-
Excess (deficiency) of revenues, other financing sources, and extraordinary items over expenditures and other financing uses.....	(8,210)	(542)	(6,571)
Fund balance, beginning of year.....	10,082	57,777	7,403
Adjustments to beginning fund balance.....	-	-	-
Residual equity transfer.....	-	-	-
Fund balance, end of year.....	<u>\$ 1,872</u>	<u>\$ 57,235</u>	<u>\$ 832</u>

**City of Boston, Massachusetts**

<u>Boston Public Library</u>	<u>Community Development Block Grant</u>	<u>Empowerment Zone Program</u>	<u>Home Bill Program</u>	<u>Neighborhood Development</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
-	24,230	32	8,281	2,645
-	-	-	-	-
<u>0</u>	<u>24,230</u>	<u>32</u>	<u>8,281</u>	<u>2,645</u>
<u>0</u>	<u>24,230</u>	<u>32</u>	<u>8,281</u>	<u>2,645</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	21,442	257	7,632	9,558
-	3,469	-	-	-
-	-	12	-	1,345
<u>0</u>	<u>24,911</u>	<u>269</u>	<u>7,632</u>	<u>10,903</u>
<u>0</u>	<u>(681)</u>	<u>(237)</u>	<u>649</u>	<u>(8,258)</u>
-	-	1,495	-	-
-	-	-	-	-
<u>0</u>	<u>0</u>	<u>1,495</u>	<u>0</u>	<u>0</u>
-	(681)	1,258	649	(8,258)
-	-	-	-	-
-	(681)	1,258	649	(8,258)
931	2,945	-	(375)	34,433
-	-	-	-	-
(931)	-	-	-	-
<u>\$ 0</u>	<u>\$ 2,264</u>	<u>\$ 1,258</u>	<u>\$ 274</u>	<u>\$ 26,175</u>

(continued)



Exhibit B-2 (continued)

**SPECIAL REVENUE FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<b>Building Loan Program</b>	<b>HUD Grants</b>
<b>REVENUES:</b>		
Local:		
Investment income.....	\$ -	\$ -
Departmental and other revenue.....	-	-
Total local revenues.....	<u>0</u>	<u>0</u>
Intergovernmental:		
Federal .....	2,856	6,470
Commonwealth of Massachusetts.....	-	-
Total intergovernmental revenues.....	<u>2,856</u>	<u>6,470</u>
Total revenues.....	<u>2,856</u>	<u>6,470</u>
<b>EXPENDITURES:</b>		
Current operations:		
General government.....	-	-
Human services.....	-	-
Public safety.....	-	-
Public works.....	-	-
Parks and recreation.....	-	-
Library.....	-	-
Schools.....	-	-
County.....	-	-
Retirement costs.....	-	-
Community development.....	-	6,199
Capital outlays.....	-	-
Debt service.....	-	-
Total expenditures.....	<u>0</u>	<u>6,199</u>
Excess (deficiency) of revenues over expenditures.....	<u>2,856</u>	<u>271</u>
<b>OTHER FINANCING SOURCES (USES):</b>		
Proceeds of debt.....	-	-
Operating transfers (out) .....	-	-
Total other financing sources (uses).....	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses before extraordinary item.....	2,856	271
<b>EXTRAORDINARY ITEMS</b>		
Gain on early retirement of debt.....	-	-
Excess (deficiency) of revenues, other financing sources, and extraordinary items over expenditures and other financing uses.....	2,856	271
Fund balance, beginning of year.....	(6,251)	(71)
Adjustments to beginning fund balance.....	-	-
Residual equity transfer.....	-	-
Fund balance, end of year.....	<u>\$ (3,395)</u>	<u>\$ 200</u>

**City of Boston, Massachusetts**

Neighborhood Research	Boston Redevelopment Authority	Totals	
		1996	1995
\$ -	\$ 177	\$ 177	\$ 164
-	7,044	16,648	59,923
0	7,221	16,825	60,087
-	6,364	117,701	119,910
-	-	71,985	76,523
0	6,364	189,686	196,433
0	13,585	206,511	256,520
-	7,702	10,656	16,157
-	-	3,285	1,142
-	-	18,653	9,370
-	-	19	147
-	-	3,389	2,715
-	-	1,222	10,148
-	-	67,154	60,216
-	-	61,852	46,694
-	729	729	1,178
-	-	47,049	49,538
-	5,257	11,950	11,538
-	-	1,357	-
0	13,688	227,315	208,843
0	(103)	(20,804)	47,677
-	-	1,495	-
-	-	(22)	(135)
0	0	1,473	(135)
-	(103)	(19,331)	47,542
-	3,539	3,539	-
-	3,436	(15,792)	47,542
276	3,127	110,277	70,060
-	(3,729)	(3,729)	(7,325)
-	-	(931)	-
\$ 276	\$ 2,834	\$ 89,825	\$ 110,277



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## CAPITAL PROJECT FUNDS

These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of general obligation bonds and from federal and state grants.

***Departmental Equipment*** accounts for capital equipment provided to all City departments ranging from computer hardware to fire trucks and snow plows.

***School Projects*** accounts for the construction, renovation and repairs to all school buildings.

***Public Buildings*** accounts for the construction, renovation and repairs to all City-owned buildings.

***Sale of City Property*** accounts for proceeds derived from the sale of City-owned properties.

***Hospital Department*** accounts for the construction, renovation and repairs to Boston City Hospital.

***Urban and Economic Development*** accounts for the construction, renovation and rehabilitation to buildings and structures approved by the City's planning board.

***Parks and Recreation*** accounts for the construction and repair of park areas throughout the City.

***Parking Facilities*** accounts for the construction and repair of City-owned parking facilities throughout the City.

***Public Works*** accounts for the construction, maintenance and repair of public work projects such as bridges, street lighting, sidewalks, water mains and sewer drainage.

***Chapter 90 Public Ways*** accounts for the design, engineering, construction and reconstruction of major roadways, streets and sidewalks.

***Trust Funds*** accounts for funds authorized for specific capital purposes as designated by each trust.

***Bond Refunding*** accounts for funds received from the refunding of bond debt.

***Other*** account for other miscellaneous expenditures for various projects.



Exhibit C-I

CAPITAL PROJECTS FUNDS

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	Departmental Equipment	School Projects	Public Buildings
<b>ASSETS</b>			
Cash and investments.....	\$ 3,028	\$ -	\$ 16,716
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	18	-	62
Total receivables.....	18	0	62
Total assets.....	\$ 3,046	\$ 0	\$ 16,778
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Warrants and accounts payable.....	\$ 9	\$ 5,492	\$ 3,213
Due to other funds.....	-	452	411
Total liabilities.....	9	5,944	3,624
Fund balance:			
Reserved for:			
Encumbrances and continuing appropriations.....	1,291	9,473	39,737
Unreserved:			
Undesignated.....	1,746	(15,417)	(26,583)
Total fund balance.....	3,037	(5,944)	13,154
Total liabilities and fund balance.....	\$ 3,046	\$ 0	\$ 16,778

**City of Boston, Massachusetts**

<u>Sale of City Property</u>	<u>Hospital Department</u>	<u>Urban and Economic Development</u>	<u>Parks and Recreation</u>	<u>Parking Facilities</u>
\$ 33,861	\$ 7,512	\$ 1,032	\$ 1,491	\$ 489
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
\$ <u>33,861</u>	\$ <u>7,512</u>	\$ <u>1,032</u>	\$ <u>1,491</u>	\$ <u>489</u>
\$ -	\$ 8	\$ 1,238	\$ 764	\$ -
-	-	-	173	-
<u>0</u>	<u>8</u>	<u>1,238</u>	<u>937</u>	<u>0</u>
33,861	729	2,269	8,352	-
-	6,775	(2,475)	(7,798)	489
<u>33,861</u>	<u>7,504</u>	<u>(206)</u>	<u>554</u>	<u>489</u>
\$ <u>33,861</u>	\$ <u>7,512</u>	\$ <u>1,032</u>	\$ <u>1,491</u>	\$ <u>489</u>

(continued)

Exhibit C-1 (continued)

**CAPITAL PROJECTS FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	Public Works	Chapter 90 Public Ways	Trust Funds
<b>ASSETS</b>			
Cash and investments.....	\$ -	\$ -	\$ 9
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	-	-	-
Total receivables.....	0	0	0
Total assets.....	\$ 0	\$ 0	\$ 9
<b>LIABILITIES AND FUND BALANCE</b>			
Liabilities:			
Warrants and accounts payable.....	\$ 2,282	\$ 3,012	\$ -
Due to other funds.....	480	25	-
Total liabilities.....	2,762	3,037	0
Fund balance:			
Reserved for:			
Encumbrances and continuing appropriations.....	14,282	8,253	259
Unreserved:			
Undesignated.....	(17,044)	(11,290)	(250)
Total fund balance.....	(2,762)	(3,037)	9
Total liabilities and fund balance.....	\$ 0	\$ 0	\$ 9

**City of Boston, Massachusetts**

<u>Bond Refunding</u>	<u>Other</u>	<u>Totals</u>	
		<u>1996</u>	<u>1995</u>
\$ 44	\$ 2,026	\$ 66,208	\$ 90,708
-	-	80	341
<u>0</u>	<u>0</u>	<u>80</u>	<u>341</u>
\$ <u>44</u>	\$ <u>2,026</u>	\$ <u>66,288</u>	\$ <u>91,049</u>
\$ -	\$ 312	\$ 16,330	\$ 7,296
-	-	1,541	1,393
<u>0</u>	<u>312</u>	<u>17,871</u>	<u>8,689</u>
-	-	118,506	96,740
44	1,714	(70,089)	(14,380)
<u>44</u>	<u>1,714</u>	<u>48,417</u>	<u>82,360</u>
\$ <u>44</u>	\$ <u>2,026</u>	\$ <u>66,288</u>	\$ <u>91,049</u>



Exhibit C-2

**CAPITAL PROJECTS FUNDS**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance  
Year Ended June 30, 1996  
(in thousands)  
(with comparative totals for 1995)

	<u>Departmental Equipment</u>	<u>School Projects</u>	<u>Public Buildings</u>
<b>REVENUES:</b>			
Local:			
Departmental and other.....	\$ -	\$ -	\$ 148
Total local revenues.....	<u>0</u>	<u>0</u>	<u>148</u>
Intergovernmental:			
Federal.....	-	-	-
Commonwealth of Massachusetts.....	-	-	639
Total intergovernmental revenues.....	<u>0</u>	<u>0</u>	<u>639</u>
Total revenues.....	<u>0</u>	<u>0</u>	<u>787</u>
<b>EXPENDITURES:</b>			
Operating subsidy to Department of Health & Hospitals.....	1,725	-	18
Capital outlays.....	799	35,915	38,616
Debt service.....	5	33	97
Total expenditures.....	<u>2,529</u>	<u>35,948</u>	<u>38,731</u>
Excess (deficiency) of revenues over expenditures.....	<u>(2,529)</u>	<u>(35,948)</u>	<u>(37,944)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of debt and capital leases.....	2,815	18,960	31,785
Operating transfers (out).....	-	-	-
Total other financing sources (uses).....	<u>2,815</u>	<u>18,960</u>	<u>31,785</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	286	(16,988)	(6,159)
Fund balance, beginning of year.....	2,751	11,044	19,313
Residual equity transfer.....	-	-	-
Fund balance, end of year.....	<u>\$ 3,037</u>	<u>\$ (5,944)</u>	<u>\$ 13,154</u>

**City of Boston, Massachusetts**

<u>Sale of City Property</u>	<u>Hospital Department</u>	<u>Urban and Economic Development</u>	<u>Parks and Recreation</u>	<u>Parking Facilities</u>
\$ 1,296	\$ -	\$ 4	\$ -	\$ -
<u>1,296</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>
-	-	436	47	-
-	-	-	348	-
<u>0</u>	<u>0</u>	<u>436</u>	<u>395</u>	<u>0</u>
<u>1,296</u>	<u>0</u>	<u>440</u>	<u>395</u>	<u>0</u>
-	1,648	-	-	-
100	49	4,889	7,863	-
-	14	78	12	-
<u>100</u>	<u>1,711</u>	<u>4,967</u>	<u>7,875</u>	<u>0</u>
<u>1,196</u>	<u>(1,711)</u>	<u>(4,527)</u>	<u>(7,480)</u>	<u>0</u>
-	4,955	130	6,840	-
-	-	-	-	-
<u>0</u>	<u>4,955</u>	<u>130</u>	<u>6,840</u>	<u>0</u>
1,196	3,244	(4,397)	(640)	0
32,665	4,260	4,191	1,194	489
-	-	-	-	-
<u>\$ 33,861</u>	<u>\$ 7,504</u>	<u>\$ (206)</u>	<u>\$ 554</u>	<u>\$ 489</u>

(continued)

Exhibit C-2 (continued)

CAPITAL PROJECTS FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	Public Works	Chapter 90 Public Ways	Trust Funds
<b>REVENUES:</b>			
Local:			
Departmental and other.....\$	- \$	- \$	83
Total local revenues.....	0	0	83
Intergovernmental:			
Federal.....	-	-	-
Commonwealth of Massachusetts.....	719	7,283	-
Total intergovernmental revenues.....	719	7,283	0
Total revenues.....	719	7,283	83
<b>EXPENDITURES:</b>			
Operating subsidy to Department of Health & Hospitals.....	-	-	-
Capital outlays.....	14,200	6,176	56
Debt service.....	30	-	-
Total expenditures.....	14,230	6,176	56
Excess (deficiency) of revenues over expenditures.....	(13,511)	1,107	27
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds of debt and capital leases.....	9,515	-	-
Operating transfers (out).....	-	-	-
Total other financing sources (uses).....	9,515	0	0
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses .....	(3,996)	1,107	27
Fund balance, beginning of year.....	1,234	(4,144)	(18)
Residual equity transfer.....	-	-	-
Fund balance, end of year..... \$	(2,762)	(3,037)	9

**City of Boston, Massachusetts**

Bond Refunding	Other	Totals	
		1996	1995
\$ 114	\$ -	\$ 1,645	\$ 993
<u>114</u>	<u>0</u>	<u>1,645</u>	<u>993</u>
-	-	483	32
-	-	8,989	6,210
<u>0</u>	<u>0</u>	<u>9,472</u>	<u>6,242</u>
<u>114</u>	<u>0</u>	<u>11,117</u>	<u>7,235</u>
-	-	3,391	-
-	12,282	120,945	81,470
39	-	308	1,332
<u>39</u>	<u>12,282</u>	<u>124,644</u>	<u>82,802</u>
<u>75</u>	<u>(12,282)</u>	<u>(113,527)</u>	<u>(75,567)</u>
-	4,698	79,698	88,698
(114)	-	(114)	(1,556)
<u>(114)</u>	<u>4,698</u>	<u>79,584</u>	<u>87,142</u>
(39)	(7,584)	(33,943)	11,575
83	9,298	82,360	63,460
-	-	-	7,325
<u>\$ 44</u>	<u>\$ 1,714</u>	<u>\$ 48,417</u>	<u>\$ 82,360</u>





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## ENTERPRISE FUNDS

These funds are used to account for activities operated in a manner similar to private business enterprise or where periodic determination of revenues, expenses and net income is needed.

*Department of Health and Hospitals* is the principal provider in the City of acute care for the indigent and other government assisted patients. The Department is comprised of two hospitals, Boston City Hospital and Boston Specialty and Rehabilitation Hospital, and supports an extensive network of community health centers. On July 1, 1996 the City's Department of Health & Hospitals was abolished. It has been reported as a discontinued operation using a measurement date of June 30, 1996.

*Trustees of Health and Hospitals* is a nonprofit corporation established in 1965 by legislative enactment of the Commonwealth of Massachusetts. The Trustees' principal activities are the financial administration of numerous grants and contracts, community health programs and medical research, primarily under the sponsorship of federal, state and city agencies. On July 1, 1996 the Trustees of Health & Hospitals was abolished. It has been reported as a discontinued operation using a measurement date of June 30, 1996.

*Economic Development Industrial Corporation* is a quasi-public agency of the City of Boston and instrumentality of the Commonwealth, whose purpose is to create and retain industrial companies and jobs through economic development, industrial real estate management, financing and job training.

Exhibit D-1

ENTERPRISE FUNDS

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

		Department of Health & Hospitals	Trustees of Health & Hospitals
<b>ASSETS</b>			
Cash and investments.....	\$	-	\$ -
Restricted cash and investments.....		-	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....		-	-
Third-party payors.....		-	-
Departmental and other.....		-	-
Total receivables.....		<u>0</u>	<u>0</u>
Inventories.....		-	-
Due from other funds.....		-	-
Other assets.....		-	-
Property, plant and equipment, net of accumulated depreciation.....		-	-
Total assets.....	\$	<u>0</u>	\$ <u>0</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Warrants and accounts payable.....	\$	-	\$ -
Accrued liabilities:			
Judgments and claims.....		-	-
Sick and vacation.....		-	-
Retirement costs.....		-	-
Other.....		-	-
Intergovernmental.....		-	-
Due to other funds.....		-	-
Deferred revenue .....		-	-
Obligations under capital leases.....		-	-
Bonds and notes payable.....		-	-
Total liabilities.....		<u>0</u>	<u>0</u>
Fund equity:			
Contributed capital.....		-	-
Retained Earnings.....		-	-
Total fund equity.....		<u>0</u>	<u>0</u>
Total liabilities and fund equity.....	\$	<u>0</u>	\$ <u>0</u>

# City of Boston, Massachusetts

Economic Development Industrial Corporation	Totals	
	1996	1995
\$ 5,249	\$ 5,249	\$ 9,493
1,139	1,139	63,672
3,708	3,708	3,774
-	-	13,367
11,093	11,093	57,400
14,801	14,801	74,541
-	-	1,161
-	-	2,000
1,254	1,254	3,307
25,408	25,408	228,447
\$ 47,851	\$ 47,851	\$ 382,621
\$ 1,242	\$ 1,242	\$ 19,442
-	-	1,190
-	-	4,353
-	-	12,287
-	-	14,084
3,648	3,648	9,241
2,008	2,008	18,441
10,120	10,120	20,944
-	-	2,980
20,843	20,843	208,735
37,861	37,861	311,697
-	-	157,050
9,990	9,990	(86,126)
9,990	9,990	70,924
\$ 47,851	\$ 47,851	\$ 382,621



**Exhibit D-2**

**ENTERPRISE FUNDS**

Combining Statement of Revenues, Expenses and Changes in Fund Equity

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<b>Department of Health &amp; Hospitals</b>	<b>Trustees of Health &amp; Hospitals</b>
<b>REVENUES:</b>		
Net patient service revenue.....	\$ -	\$ -
Contributions and donations.....	-	-
Programs.....	-	-
Rental income.....	-	-
Miscellaneous.....	-	-
Total operating revenues.....	<u>0</u>	<u>0</u>
<b>EXPENSES:</b>		
Salaries and wages.....	-	-
Professional fees.....	-	-
Administrative and general.....	-	-
Materials and supplies.....	-	-
Depreciation.....	-	-
Retirement costs.....	-	-
Bad debts.....	-	-
Subsidies for community services, special programs and real estate operations.....	<u>-</u>	<u>-</u>
Total operating expenses.....	<u>0</u>	<u>0</u>
Operating income (loss).....	<u>0</u>	<u>0</u>
Nonoperating revenues and expenses:		
Grant income.....	-	-
Interest income.....	-	-
Interest expense.....	<u>-</u>	<u>-</u>
Total nonoperating revenue.....	<u>0</u>	<u>0</u>
Income (loss) before operating transfers and discontinued operations.....	0	0
Operating transfer in .....	<u>-</u>	<u>-</u>
Net Income (loss) before discontinued operations.....	0	0
Discontinued operations:		
Income (loss) from discontinued operations.....	(4,177)	281
Gain (loss) on disposal of discontinued operations.....	<u>(63,709)</u>	<u>4,897</u>
Net Income (loss) after discontinued operations.....	(67,886)	5,178
Fund equity, beginning of year.....	67,886	(5,178)
Fund equity, at end of year.....	\$ <u>0</u>	\$ <u>0</u>

Economic Development Industrial Corporation	Totals	
	1996	1995
\$ -	\$ -	\$ 212,971
-	-	4,700
-	-	78,979
6,228	6,228	6,057
593	593	29,065
<u>6,821</u>	<u>6,821</u>	<u>331,772</u>
5,257	5,257	114,257
496	496	24,254
2,045	2,045	40,080
64	64	21,193
1,257	1,257	17,137
-	-	6,077
300	300	17,864
<u>10,578</u>	<u>10,578</u>	<u>119,159</u>
<u>19,997</u>	<u>19,997</u>	<u>360,021</u>
<u>(13,176)</u>	<u>(13,176)</u>	<u>(28,249)</u>
14,873	14,873	16,044
1,294	1,294	1,456
<u>(1,217)</u>	<u>(1,217)</u>	<u>(12,534)</u>
<u>14,950</u>	<u>14,950</u>	<u>4,966</u>
1,774	1,774	(23,283)
-	-	35,418
<u>1,774</u>	<u>1,774</u>	<u>12,135</u>
-	(3,896)	-
-	<u>(58,812)</u>	-
<u>1,774</u>	<u>(60,934)</u>	<u>12,135</u>
8,216	70,924	58,789
<u>\$ 9,990</u>	<u>\$ 9,990</u>	<u>\$ 70,924</u>

**Exhibit D-3**  
**ENTERPRISE FUNDS**  
Combining Statement of Cash Flows  
Year Ended June 30, 1996  
(in thousands)  
(with comparative totals for 1995)

	<b>Department of Health &amp; Hospitals</b>
<b>Cash Flows From Operating Activities:</b>	
Operating income (loss).....	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation and amortization.....	-
Provisions for bad debt.....	-
Other.....	-
Changes in operating assets and liabilities:	
Accounts receivable.....	-
Intergovernmental receivables.....	-
Inventories.....	-
Other assets.....	-
Due to/from other funds.....	-
Accounts payable.....	-
Accrued retirement.....	-
Third party payors.....	-
Other accrued liabilities.....	-
Deferred revenue.....	-
Net cash provided (used) by operating activities.....	<u>0</u>
<b>Cash Flows From Noncapital Financing Activities:</b>	
Advances from grantors.....	-
Discontinued operations.....	(63,094)
Operating subsidy / transfers in (out).....	-
Net cash provided (used) by noncapital financing activities.....	<u>(63,094)</u>
<b>Cash Flows From Capital and Related Financing Activities:</b>	
Acquisition and construction of capital assets.....	-
Interest paid on debt.....	-
Repayment of long-term debt.....	-
Payments on lease obligations.....	-
Net cash provided (used) by capital and related financing activities.....	<u>0</u>
<b>Cash Flows From Investing Activities:</b>	
Purchase of investment securities.....	-
Proceeds from sale of investment securities.....	-
Investment income.....	-
Net cash provided (used) by investing activities.....	<u>0</u>
Increase (decrease) in cash and cash equivalents.....	(63,094)
Cash and cash equivalents, beginning of year.....	<u>63,094</u>
Cash and cash equivalents, end of year.....	<u>0</u>
Investments, end of year.....	-
Total cash and investments, end of year.....	<u>\$ 0</u>
<b>Noncash activities:</b>	
Additions to capital leases.....	\$ <u>-</u>

**City of Boston, Massachusetts**

Trustees of Health & Hospitals	Economic Development Industrial Corporation	Totals	
		1996	1995
\$ -	\$ (13,176)	\$ (13,176)	\$ (28,249)
-	1,257	1,257	17,137
-	300	300	17,864
-	-	-	(3,182)
-	(131)	(131)	(25,088)
-	515	515	1,514
-	-	-	(120)
-	(21)	(21)	928
-	-	-	(3,166)
-	11	11	(7,660)
-	-	-	(6,027)
-	-	-	18,100
-	253	253	(2,715)
-	(739)	(739)	(1,199)
0	(11,731)	(11,731)	(21,863)
-	14,873	14,873	15,758
(2,140)	-	(65,234)	-
-	-	-	35,418
(2,140)	14,873	(50,361)	51,176
-	(1,578)	(1,578)	(21,618)
-	(1,217)	(1,217)	(12,533)
-	(3,180)	(3,180)	(2,621)
-	(4)	(4)	(284)
0	(5,979)	(5,979)	(37,056)
-	(7,985)	(7,985)	(11,593)
-	8,529	8,529	12,946
-	1,294	1,294	1,455
0	1,838	1,838	2,808
(2,140)	(999)	(66,233)	(4,935)
2,140	2,667	67,901	72,836
0	1,668	1,668	67,901
-	4,720	4,720	5,264
\$ 0	\$ 6,388	\$ 6,388	\$ 73,165
\$ -	\$ -	\$ -	\$ 3,306





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## **INTERNAL SERVICE FUND**

The internal service fund accounts for the City's self insurance for health benefits provided by Blue Cross/Blue Shield for City employees, their dependents and retirees.

Exhibit E-1

INTERNAL SERVICE FUND

Comparative Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	1996	1995
<b>ASSETS</b>		
Receivables :		
Departmental and other receivables.....	\$ 1,549	\$ -
Due from other funds.....	838	-
Total assets.....	<u>\$ 2,387</u>	<u>\$ -</u>
<b>LIABILITIES AND FUND EQUITY</b>		
Liabilities:		
Accrued liabilities:		
Judgments and claims.....	\$ 14,629	\$ -
Due to other funds.....	8,110	-
Total liabilities.....	<u>22,739</u>	<u>-</u>
Fund equity:		
Retained Earnings.....	<u>(20,352)</u>	<u>-</u>
Total fund equity.....	<u>(20,352)</u>	<u>-</u>
Total liabilities and fund equity.....	<u>\$ 2,387</u>	<u>\$ -</u>

Exhibit E-2

INTERNAL SERVICE FUND

Comparative Statement of Revenues, Expenses and Changes in Fund Equity  
 Year Ended June 30, 1996  
 (in thousands)  
 (with comparative totals for 1995)

	1996	1995
<b>REVENUES:</b>		
Employer contributions.....	\$ 45,316	\$ -
Employee contributions.....	15,377	-
Miscellaneous.....	161	-
Total operating revenues.....	<u>60,854</u>	<u>-</u>
<b>EXPENSES:</b>		
Administrative and general.....	24	-
Benefits.....	79,055	-
Total operating expenses.....	<u>79,079</u>	<u>-</u>
Operating income (loss).....	(18,225)	-
Fund equity, beginning of year.....	-	-
Residual equity transfer.....	(2,127)	-
Fund equity, at end of year.....	<u>\$ (20,352)</u>	<u>\$ -</u>





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Exhibit E-3  
**INTERNAL SERVICE FUND**  
 Comparative Statement of Cash Flows  
 Year Ended June 30, 1996  
 (in thousands)  
 (with comparative totals for 1995)

	<u>1996</u>	<u>1995</u>
<b>Cash Flows From Operating Activities:</b>		
Operating income (loss).....	\$ (18,225)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in operating assets and liabilities:		
Accounts receivable.....	(1,462)	-
Due to/from other funds.....	5,298	-
Other accrued liabilities.....	14,389	-
Net cash provided (used) by operating activities.....	<u>0</u>	<u>-</u>
 Increase (decrease) in cash and cash equivalents.....	 -	 -
Cash and cash equivalents, beginning of year.....	<u>-</u>	<u>-</u>
Cash and cash equivalents, end of year.....	<u><u>0</u></u>	<u><u>-</u></u>



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## TRUST AND AGENCY FUNDS

### PENSION TRUST FUNDS

*State-Boston Retirement System* is a defined benefit contributory retirement plan covering employees of the City of Boston, Department of Health and Hospitals, Boston Housing Authority, Boston Redevelopment Authority and the Boston Water and Sewer Commission. The system is subject to benefit provisions and financing requirements set forth primarily in Chapter 32 of the Massachusetts General Laws.

*Boston Retirement System* is the independent contributory plan system available exclusively to City of Boston employees who were employed prior to October 1, 1946.

### NONEXPENDABLE TRUST FUNDS

*City Funds* are used for the maintenance and improvement of the City's parks and cemeteries and the erection and maintenance of statues and monuments for the use and enjoyment of City residents.

*School Funds* are used for scholarship awards, the purchase of educational equipment and the aid of needy students.

*George Robert White Fund* was formed by the will of George R. White dated May 21, 1920. The will requires that the Fund's income be used for the creation of public utility and beauty for the use and enjoyment of the inhabitants of the City.

*Trustees of the Boston Public Library Fund* represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of the Boston Public Library.

### EXPENDABLE TRUST FUNDS

*City Funds, School Funds and the George Robert White Fund* account for the accumulated interest and dividends generated from the Nonexpendable Trust Funds awaiting expenditure or reinvestment of principal and income.

*Law Enforcement Trust Fund* accounts for proceeds from property seized from illegal drug related activities. Funds can be used to defray the costs of protracted investigations, to provide technical equipment or expertise and provide matching funds for federal grants.

*Trustee of Health and Hospital Funds* represent bequests in the form of endowments with income restricted to donor-designated purposes or to the general purposes of Boston City Hospital. On July 1, 1996 the Trustees of Health and Hospitals was abolished. It has been reported as a discontinued operation using a measurement date of June 30, 1996.

*Neighborhood Housing Fund* was established to support the creation and preservation of affordable housing for low and moderate income residents of Boston. Developers of certain large-scale commercial real estate projects in the City are required to make contributions in the form of payments to the Fund.

*Neighborhood Jobs Fund* was established to protect and provide employment opportunities for low and moderate income residents of Boston. As mandated by the Boston Zoning Code, developers of certain large-scale commercial real estate projects in the City are required to make contributions to the Fund over a two year period.

*Blue Cross/Blue Shield Fund* transferred the deficit of the fund on July 1, 1995 to a newly established internal service fund.

### AGENCY FUNDS

*Boston Redevelopment Authority Fund* accounts for resources received and held by the Authority as an agent for other entities including Urban Development Action Grants and other funds for housing initiatives.

*City Deferred Compensation Plan Fund* is used to account for voluntary contributions received from employees which are invested in a deferred compensation program.



**Exhibit F-I**

**TRUST and AGENCY FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<b>Pension Trust Funds</b>		
	<b>State-Boston Retirement System</b>	<b>Boston Retirement System</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>			
Cash and investments.....	\$ 1,762,716	\$ 365	\$ 1,763,081
Restricted cash and investments.....	-	-	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	8,998	-	8,998
Departmental and other.....	28,103	-	28,103
Total receivables.....	<u>37,101</u>	<u>0</u>	<u>37,101</u>
Due from other funds.....	59,253	81	59,334
Other assets.....	-	-	-
Property, plant and equipment, net of accumulated depreciation.....	-	-	-
Total assets.....	<u>\$ 1,859,070</u>	<u>\$ 446</u>	<u>\$ 1,859,516</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Warrants and accounts payable.....	\$ 23,633	\$ -	\$ 23,633
Other accrued liabilities.....	1,256	-	1,256
Due to other funds.....	-	-	-
Deferred revenue.....	-	-	-
Deferred compensation benefits payable.....	-	-	-
Bonds and notes payable.....	-	-	-
Total liabilities.....	<u>24,889</u>	<u>0</u>	<u>24,889</u>
Fund Equity:			
Reserved for:			
Endowments.....	-	-	-
Encumbrances and continuing appropriations.....	-	-	-
Employee retirement system.....	1,834,181	446	1,834,627
Unreserved:			
Undesignated.....	-	-	-
Total fund equity.....	<u>1,834,181</u>	<u>446</u>	<u>1,834,627</u>
Total liabilities and fund equity.....	<u>\$ 1,859,070</u>	<u>\$ 446</u>	<u>\$ 1,859,516</u>

**City of Boston, Massachusetts**

<b>Nonexpendable Trust Funds</b>				
<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>	<u>Trustees of the Public Library</u>	<u>Total Nonexpendable Trust Funds</u>
\$ 32,968	\$ 615	\$ 14,050	\$ 36,486	\$ 84,119
-	-	-	-	-
-	-	-	613	613
66	-	-	-	66
<u>66</u>	<u>0</u>	<u>0</u>	<u>613</u>	<u>679</u>
-	-	-	-	-
-	-	-	-	-
60	-	131	942	1,133
<u>\$ 33,094</u>	<u>\$ 615</u>	<u>\$ 14,181</u>	<u>\$ 38,041</u>	<u>\$ 85,931</u>
\$ -	\$ -	\$ -	\$ 593	\$ 593
-	-	-	361	361
94	1	-	141	236
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>94</u>	<u>1</u>	<u>0</u>	<u>1,095</u>	<u>1,190</u>
33,000	614	14,181	34,228	82,023
-	-	-	-	-
-	-	-	-	-
-	-	-	2,718	2,718
<u>33,000</u>	<u>614</u>	<u>14,181</u>	<u>36,946</u>	<u>84,741</u>
<u>\$ 33,094</u>	<u>\$ 615</u>	<u>\$ 14,181</u>	<u>\$ 38,041</u>	<u>\$ 85,931</u>

(continued)

Exhibit F-1 (continued)

**TRUST and AGENCY FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<u>Expendable Trust Funds</u>		
	<u>City Funds</u>	<u>School Funds</u>	<u>George Robert White Fund</u>
<b>ASSETS</b>			
Cash and investments.....	\$ 14,551	\$ 234	\$ 305
Restricted cash and investments.....	-	-	-
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):			
Intergovernmental.....	-	-	-
Departmental and other.....	42	-	-
Total receivables.....	<u>42</u>	<u>0</u>	<u>0</u>
Due from other funds.....	-	-	-
Other assets.....	-	-	-
Property, plant and equipment, net of accumulated depreciation.....	-	-	-
Total assets.....	<u>\$ 14,593</u>	<u>\$ 234</u>	<u>\$ 305</u>
<b>LIABILITIES AND FUND EQUITY</b>			
Liabilities:			
Warrants and accounts payable.....	\$ -	\$ -	\$ -
Other accrued liabilities.....	-	-	10
Due to other funds.....	404	-	36
Deferred revenue.....	-	-	-
Deferred compensation benefits payable.....	-	-	-
Bonds and notes payable.....	-	-	-
Total liabilities.....	<u>404</u>	<u>0</u>	<u>46</u>
Fund Equity:			
Reserved for:			
Endowments.....	-	-	-
Encumbrances and continuing appropriations.....	3,132	-	-
Employee retirement system.....	-	-	-
Unreserved:			
Undesignated.....	<u>11,057</u>	<u>234</u>	<u>259</u>
Total fund equity.....	<u>14,189</u>	<u>234</u>	<u>259</u>
Total liabilities and fund equity.....	<u>\$ 14,593</u>	<u>\$ 234</u>	<u>\$ 305</u>

**City of Boston, Massachusetts**

Expendable Trust Funds										
Law Enforcement Trust Fund		Trustees of Health and Hospitals		Neighborhood Housing Fund		Neighborhood Jobs Fund		Blue Cross/ Blue Shield Trust Fund		Total Expendable Trust Funds
36	\$	-	\$	4,359	\$	711	\$	-	\$	20,196
-		-		754		-		-		754
-		-		-		-		-		-
-		-		11,481		-		-		11,523
<u>0</u>		<u>0</u>		<u>11,481</u>		<u>0</u>		<u>0</u>		<u>11,523</u>
-		-		-		8		-		8
-		-		-		-		-		-
-		-		-		-		-		-
<u>36</u>	\$	<u>0</u>	\$	<u>16,594</u>	\$	<u>719</u>	\$	<u>0</u>	\$	<u>32,481</u>
-	\$	-	\$	-	\$	-	\$	-	\$	-
-		-		-		8		-		18
-		-		8		-		-		448
-		-		-		-		-		-
-		-		-		-		-		-
-		-		4,352		-		-		4,352
<u>0</u>		<u>0</u>		<u>4,360</u>		<u>8</u>		<u>0</u>		<u>4,818</u>
-		-		-		-		-		-
-		-		-		-		-		3,132
-		-		-		-		-		-
36		-		12,234		711		-		24,531
<u>36</u>		<u>0</u>		<u>12,234</u>		<u>711</u>		<u>0</u>		<u>27,663</u>
36	\$	0	\$	16,594	\$	719	\$	0	\$	32,481

(continued)



**Exhibit F-1 (continued)**

**TRUST and AGENCY FUNDS**

Combining Balance Sheet

June 30, 1996

(in thousands)

(with comparative totals for 1995)

	<u>Agency Funds</u>			
	Boston Redevelopment Authority	City Deferred Compensation Plan	Total Agency Funds	
<b>ASSETS</b>				
Cash and investments.....	\$ 5,817	\$ -	\$ 5,817	
Restricted cash and investments.....	1,957	127,572	129,529	
Receivables (net, where applicable, of allowance for estimated uncollectible amounts):				
Intergovernmental.....	3	-	3	
Departmental and other.....	46,416	-	46,416	
Total receivables.....	<u>46,419</u>	<u>0</u>	<u>46,419</u>	
Due from other funds.....	-	-	-	
Other assets.....	-	-	-	
Property, plant and equipment, net of accumulated depreciation.....	-	-	-	
Total assets.....	<u>\$ 54,193</u>	<u>\$ 127,572</u>	<u>\$ 181,765</u>	
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Warrants and accounts payable.....	\$ 51,923	\$ -	\$ 51,923	
Other accrued liabilities.....	-	-	-	
Due to other funds.....	-	-	-	
Deferred revenue.....	-	-	-	
Deferred compensation benefits payable.....	2,270	127,572	129,842	
Bonds and notes payable.....	-	-	-	
Total liabilities.....	<u>54,193</u>	<u>127,572</u>	<u>181,765</u>	
Fund Equity:				
Reserved for:				
Endowments.....	-	-	-	
Encumbrances and continuing appropriations.....	-	-	-	
Employee retirement system.....	-	-	-	
Unreserved:				
Undesignated.....	-	-	-	
Total fund equity.....	<u>0</u>	<u>0</u>	<u>0</u>	
Total liabilities and fund equity.....	<u>\$ 54,193</u>	<u>\$ 127,572</u>	<u>\$ 181,765</u>	

Totals	
1996	1995
\$ 1,873,213	\$ 1,660,829
130,283	717
9,614	15,018
86,108	65,639
95,722	80,657
59,342	6,542
-	77
1,133	191
\$ 2,159,693	\$ 1,749,013
\$ 76,149	\$ 64,571
1,635	2,956
684	2,783
-	27
129,842	103,099
4,352	4,699
212,662	178,135
82,023	74,469
3,132	3,036
1,834,627	1,453,708
27,249	39,665
1,947,031	1,570,878
\$ 2,159,693	\$ 1,749,013

## Exhibit F-2

**PENSION TRUST FUNDS**  
Combining Statement of Changes in Plan Net Assets  
Year Ended June 30, 1996  
(in thousands)  
(with comparative totals for 1995)

	State-Boston Retirement System	Boston Retirement System	Totals	
			1996	1995
<b>ADDITIONS:</b>				
Contributions				
Employer.....	\$ 120,890	\$ 381	\$ 121,271	\$ 100,770
Employee.....	58,983	-	58,983	54,083
Total contributions.....	179,873	381	180,254	154,853
Investment Income				
Realized and unrealized gains on investments.....	280,831	-	280,831	(41,771)
Interest.....	48,668	10	48,678	49,367
Total investment income.....	329,499	10	329,509	7,596
Intergovernmental.....	24,200	-	24,200	25,893
Total additions.....	533,572	391	533,963	188,342
<b>DEDUCTIONS:</b>				
Benefits.....	188,215	282	188,497	185,951
Refunds of contributions.....	19,105	-	19,105	18,472
Administrative expenses.....	1,339	-	1,339	1,282
Total deductions.....	208,659	282	208,941	205,705
Net increase (decrease).....	324,913	109	325,022	(17,363)
Net assets held in trust for pension benefits:				
Beginning of year.....	1,453,371	337	1,453,708	1,471,071
Adjustment to beginning net assets.....	55,897	-	55,897	-
End of year.....	\$ 1,834,181	\$ 446	\$ 1,834,627	\$ 1,453,708

## Exhibit F-3

## NONEXPENDABLE TRUST FUNDS

## Combining Statement of Revenues, Expenses and Changes in Fund Equity

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	1996	1995
<b>REVENUES:</b>						
Contributions and donations.....	\$ 79	\$ -	\$ -	\$ 14,635	\$ 14,714	\$ 4,042
Investment income.....	5,034	32	2,532	3,614	11,212	5,657
Miscellaneous.....	678	3	-	440	1,121	196
Total operating revenues.....	5,791	35	2,532	18,689	27,047	9,895
<b>EXPENSES:</b>						
Professional fees.....	-	2	-	-	2	3
Administrative and general.....	1,116	1	-	-	1,117	3
Libraries.....	-	-	-	14,014	14,014	2,037
Scholarships and awards.....	-	17	-	-	17	10
Total operating expenses.....	1,116	20	0	14,014	15,150	2,053
Operating income (loss).....	4,675	15	2,532	4,675	11,897	7,842
Operating transfers out.....	(1,809)	(28)	(2,230)	-	(4,067)	(1,546)
Net income.....	2,866	(13)	302	4,675	7,830	6,296
Fund equity, beginning of year.....	30,134	627	13,879	31,340	75,980	69,684
Residual equity transfer.....	-	-	-	931	931	-
Fund equity, end of year.....	\$ 33,000	\$ 614	\$ 14,181	\$ 36,946	\$ 84,741	\$ 75,980



## Exhibit F-4

## NONEXPENDABLE TRUST FUNDS

Combining Statement of Cash Flows

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	City Funds	School Funds	George Robert White Fund	Trustees of the Public Library	Totals	
					1996	1995
<b>Cash flows from operating activities:</b>						
Operating income (loss).....	\$ 4,675	\$ 15	\$ 2,532	\$ 4,675	\$ 11,897	\$ 2,185
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Net realized gains.....	-	-	-	(1,946)	(1,946)	-
Changes in operating assets and liabilities:						
Accounts receivable.....	(63)	-	-	-	(63)	-
Intergovernmental receivables.....	-	-	-	1,073	1,073	-
Due to/from other funds.....	114	2	(3)	(563)	(450)	(552)
Other assets.....	-	1	139	-	140	-
Other accrued liabilities.....	-	-	-	141	141	-
Accounts payable.....	-	-	-	214	214	-
Net cash provided (used) by operating activities.....	4,726	18	2,668	3,594	11,006	1,633
<b>Cash flows from noncapital financing activities:</b>						
Residual equity transfer.....	-	-	-	458	458	-
Operating subsidy / transfers in (out).....	(1,809)	(28)	(2,230)	-	(4,067)	(1,546)
Net cash provided (used) by noncapital financing activities.....	(1,809)	(28)	(2,230)	458	(3,609)	(1,546)
<b>Cash Flows From Investing Activities:</b>						
Purchase of investment securities.....	(2,604)	-	-	(3,221)	(5,825)	(35,952)
Proceeds from sale of investment securities.....	-	-	18	-	18	28,688
Investment income.....	-	-	-	-	-	5,657
Net cash provided (used) by investing activities.....	(2,604)	0	18	(3,221)	(5,807)	(1,607)
Increase (decrease) in cash and cash equivalents.....	313	(10)	456	831	1,590	(1,520)
Cash and cash equivalents, beginning of year.....	949	616	294	860	2,719	4,240
Cash and cash equivalents, end of year.....	1,262	606	750	1,691	4,309	2,720
Investments, end of year.....	31,706	9	13,300	34,795	79,810	72,196
Total cash and investments, end of year.....	\$ 32,968	\$ 615	\$ 14,050	\$ 36,486	\$ 84,119	\$ 74,916



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Exhibit F-5

EXPENDABLE TRUST FUNDS

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

Year Ended June 30, 1996

(in thousands)

(with comparative totals for 1995)

	City Funds	School Funds	George Robert White Fund
<b>REVENUES:</b>			
Investment income.....	\$ 922	\$ 12	\$ 6
Departmental and other.....	2,010	-	55
Total revenues.....	<u>2,932</u>	<u>12</u>	<u>61</u>
<b>EXPENDITURES:</b>			
General government.....	518	1	165
Human services.....	-	-	-
Public works.....	-	-	1,898
Parks and recreation.....	1,528	-	-
Schools.....	-	33	-
Other employee benefits.....	-	-	-
Total expenditures.....	<u>2,046</u>	<u>34</u>	<u>2,063</u>
Excess (deficiency) of revenues over expenditures.....	<u>886</u>	<u>(22)</u>	<u>(2,002)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers out.....	(500)	-	-
Operating transfers in.....	1,809	28	2,230
Total operating transfers, net.....	<u>1,309</u>	<u>28</u>	<u>2,230</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses before discontinued operations.....	2,195	6	228
<b>DISCONTINUED OPERATIONS:</b>			
Excess of revenues over expenditures .....	-	-	-
Loss on disposal .....	-	-	-
Excess (deficiency) of revenues and other financing sources over expenditures, other financing uses and discontinued operations.....	2,195	6	228
Fund balance, beginning of year.....	11,994	228	31
Residual equity transfer.....	-	-	-
Adjustments to beginning fund balance.....	-	-	-
Fund balance, end of year.....	<u>\$ 14,189</u>	<u>\$ 234</u>	<u>\$ 259</u>

**City of Boston, Massachusetts**

Law Enforcement Trust Fund	Trustees of Health and Hospitals	Neighborhood Housing Fund	Neighborhood Jobs Fund	Blue Cross/ Blue Shield Trust Fund	Totals	
					1996	1995
\$ -	\$ -	\$ 304	\$ 52	\$ -	\$ 1,296	\$ 4,335
148	-	2,193	400	-	4,806	65,147
<u>148</u>	<u>0</u>	<u>2,497</u>	<u>452</u>	<u>0</u>	<u>6,102</u>	<u>69,482</u>
296	-	3	52	-	1,035	1,008
-	-	957	568	-	1,525	1,413
-	-	-	-	-	1,898	2,199
-	-	-	-	-	1,528	1,819
-	-	-	-	-	33	27
-	-	-	-	-	-	65,019
<u>296</u>	<u>0</u>	<u>960</u>	<u>620</u>	<u>0</u>	<u>6,019</u>	<u>71,485</u>
<u>(148)</u>	<u>0</u>	<u>1,537</u>	<u>(168)</u>	<u>0</u>	<u>83</u>	<u>(2,003)</u>
-	-	-	-	-	(500)	(1,428)
-	-	-	-	-	4,067	1,547
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,567</u>	<u>119</u>
(148)	0	1,537	(168)	-	3,650	(1,884)
-	2,435	-	-	-	2,435	-
-	(21,739)	-	-	-	(21,739)	-
(148)	(19,304)	1,537	(168)	-	(15,654)	(1,884)
184	20,154	9,847	879	(2,127)	41,190	43,074
-	-	-	-	2,127	2,127	-
-	(850)	850	-	-	-	-
<u>\$ 36</u>	<u>\$ 0</u>	<u>\$ 12,234</u>	<u>\$ 711</u>	<u>\$ 0</u>	<u>\$ 27,663</u>	<u>\$ 41,190</u>



**Exhibit F-6**

**AGENCY FUNDS**  
Statement of Changes in Assets and Liabilities  
(in thousands)

	Balance			Balance
	Sept. 30, 1995	Additions	Deductions	June 30, 1996
<b><i>Boston Redevelopment Authority</i></b>				
ASSETS				
Cash and investments.....	\$ 6,260	\$ 549	\$ 992	\$ 5,817
Restricted cash.....	2,391	70	504	1,957
Receivables (net, of allowance for estimated uncollectible amounts):				
Intergovernmental.....	77	-	74	3
Departmental and other.....	45,530	886	-	46,416
Total receivables.....	45,607	886	74	46,419
Total assets.....	\$ 54,258	\$ 1,505	\$ 1,570	\$ 54,193
LIABILITIES				
Warrants and accounts payable.....	\$ 51,943	\$ -	\$ 20	\$ 51,923
Accrued liabilities other.....	68	-	68	-
Deferred compensation benefits payable.....	2,247	23	-	2,270
Total liabilities.....	\$ 54,258	\$ 23	\$ 88	\$ 54,193
	Balance			Balance
	June 30, 1995	Additions	Deductions	June 30, 1996
<b><i>City Deferred Compensation Plan</i></b>				
ASSETS				
Investments of deferred compensation plan.....	\$ 103,099	\$ 30,011	\$ 5,538	\$ 127,572
LIABILITIES				
Deferred compensation benefits payable.....	\$ 103,099	\$ 30,011	\$ 5,538	\$ 127,572
<b><i>Total - All Agency Funds</i></b>				
ASSETS				
Cash and investments.....	\$ 6,260	\$ 549	\$ 992	\$ 5,817
Restricted cash.....	2,391	70	504	1,957
Investments of deferred compensation plan.....	103,099	30,011	5,538	127,572
Receivables (net, of allowance for estimated uncollectible amounts):				
Intergovernmental .....	77	-	74	3
Departmental and other.....	45,530	886	-	46,416
Total receivables.....	45,607	886	74	46,419
Total assets.....	\$ 157,357	\$ 31,516	\$ 7,108	\$ 181,765
LIABILITIES				
Warrants and accounts payable.....	\$ 51,943	\$ -	\$ 20	\$ 51,923
Accrued liabilities other.....	68	-	68	-
Deferred compensation benefits payable.....	105,346	30,034	5,538	129,842
Total liabilities.....	\$ 157,357	\$ 30,034	\$ 5,626	\$ 181,765

## **GENERAL FIXED ASSETS ACCOUNT GROUP**

This account group is used to account for the fixed assets owned by the City, exclusive of infrastructure and those relating to proprietary fund operations. Assets were recorded at cost or at amounts considered by management to represent estimated historical cost. In accordance with generally accepted accounting principles for governmental units, depreciation is not required to be recorded on general fixed assets.

## Exhibit G-1

## Schedule of General Fixed Assets by Source

June 30, 1996 and 1995

(in thousands)

	<u>1996</u>	<u>1995</u>
<b>General fixed assets:</b>		
Land and Buildings.....	\$ 510,549	\$ 510,542
Furniture and Fixtures.....	34,599	32,396
Vehicles and Maintenance Equipment.....	71,567	68,138
Machinery and Equipment.....	47,171	41,812
Total general fixed assets.....	<u>\$ 663,886</u>	<u>\$ 652,888</u>
 <b>Investment in general fixed assets from:</b>		
Acquisitions on or prior to June 30, 1993 <sup>(1)</sup> .....	\$ 611,741	\$ 617,598
General Fund.....	15,000	10,292
Special Revenue Fund.....	3,298	2,360
Capital Projects Fund.....	5,233	5,225
Capital Lease Obligations.....	25,305	13,675
Boston Redevelopment Authority.....	3,309	3,738
Total investment in general fixed assets.....	<u>\$ 663,886</u>	<u>\$ 652,888</u>

(1) It is not practicable to determine the historical sources of general fixed assets acquired prior to June 30, 1993.

Exhibit G-2

Schedule of General Fixed Assets by Function and Activity

June 30, 1996

(in thousands)

Function and Activity	Land and Buildings	Furniture and Fixtures	Vehicles and Maintenance Equipment	Machinery and Equipment	Total
<b>GENERAL GOVERNMENT</b>					
Mayor's Office.....	\$ -	\$ 181	\$ 121	\$ 142	\$ 444
City Council.....	-	76	-	202	278
Consumer Affairs and Licensing.....	-	15	-	22	37
Office of Community Partnerships.....	-	18	-	-	18
Election Department.....	-	70	95	5,480	5,645
Auditing Department.....	-	75	-	171	246
Assessing Department.....	-	256	169	866	1,291
Treasury Department.....	-	162	-	472	634
Office of Budget Management.....	-	100	-	157	257
Human Resources.....	-	84	-	80	164
Purchasing Division.....	-	57	-	303	360
Office of Chief Operating Officer.....	-	14	-	39	53
Printing Division.....	-	22	30	1,152	1,204
Office of Labor Relations.....	-	17	-	41	58
Health Insurance Division.....	-	23	-	38	61
Management Information System.....	-	136	11	7,803	7,950
Intergovernmental Relations.....	-	18	-	25	43
Law Department.....	-	102	11	182	295
Retirement Board.....	-	36	-	64	100
Environment Department.....	-	45	-	135	180
Worker's Compensation Division.....	-	45	-	74	119
Minority\Women's Business Ent.....	-	14	-	20	34
City Clerk.....	-	34	-	58	92
Registry Division.....	-	34	-	38	72
Finance Commission.....	-	14	-	13	27
Boards and Commissions.....	-	-	-	4	4
Fair Housing Commission.....	-	64	-	95	159
Emergency Shelter Commission.....	-	5	27	20	52
Women's Commission.....	-	6	-	8	14
Press Office.....	-	11	-	14	25
Neighborhood Services.....	-	53	29	77	159
Office of Special Events & Tourism.....	-	16	12	30	58
Business and Cultural Development.....	-	12	-	41	53
Total General Government.....	0	1,815	505	17,866	20,186

(continued)



Exhibit G-2 (continued)

Schedule of General Fixed Assets by Function and Activity

June 30, 1996

(in thousands)

Function and Activity	Land and Buildings	Furniture and Fixtures	Vehicles and Maintenance Equipment	Machinery and Equipment	Total
<b>HUMAN SERVICES</b>					
Rent Equity Board.....	-	75	-	57	132
Elderly Commission.....	-	45	714	121	880
Veterans Services Department.....	-	50	-	39	89
Total Human Services.....	0	170	714	217	1,101
<b>PUBLIC SAFETY</b>					
Police Department.....	19,414	915	21,034	8,853	50,216
Fire Department.....	23,265	824	16,891	2,978	43,958
Transportation - Traffic Division.....	-	136	2,577	135	2,848
Transportation - Parking Clerk.....	-	54	-	11	65
Transportation Central Artery Tunnel.....	-	21	-	51	72
Licensing Board.....	-	24	-	14	38
Inspectional Services Department.....	-	339	420	729	1,488
Total Public Safety.....	42,679	2,313	40,922	12,771	98,685
<b>PUBLIC WORKS</b>					
Public Works Department.....	712	228	8,658	1,406	11,004
<b>PROPERTY AND DEVELOPMENT</b>					
Property Management.....	30,861	57	166	183	31,267
Public Facilities Department.....	11,770	1,877	652	673	14,972
PFD - Community Schools Division.....	-	483	409	269	1,161
Total Property and Development.....	42,631	2,417	1,227	1,125	47,400
<b>PARKS AND RECREATION</b>					
Parks and Recreation Department.....	2,749	148	3,686	187	6,770
<b>LIBRARY</b>					
Library Department.....	13,333	1,073	-	934	15,340
<b>SCHOOLS</b>					
General School Purposes.....	406,970	23,983	14,517	10,186	455,656
<b>COUNTY</b>					
Registry of Deeds.....	-	35	-	530	565
Suffolk County Jails.....	-	241	1,299	1,243	2,783
Suffolk County House of Corrections.....	-	794	(23)	317	1,088
Total County.....	0	1,070	1,276	2,090	4,436
Total.....	509,074	33,217	71,505	46,782	660,578
Boston Redevelopment Authority.....	1,475	1,382	62	389	3,308
Total General Fixed Assets.....	\$ 510,549	\$ 34,599	\$ 71,567	\$ 47,171	\$ 663,886

Exhibit G-3

Schedule of Changes in General Fixed Assets by Function and Activity

Year Ended June 30, 1996

(in thousands)

Function and Activity	General Fixed Assets July 1, 1995	Additions	Deletions	General Fixed Assets June 30, 1996
<b>GENERAL GOVERNMENT</b>				
Mayor's Office	\$ 397	\$ 57	\$ 10	\$ 444
City Council	253	50	25	278
Consumer Affairs and Licensing	43	-	6	37
Office of Community Partnerships	18	-	-	18
Election Department	4,894	785	34	5,645
Auditing Department	257	22	33	246
Assessing Department	1,658	58	425	1,291
Treasury Department	614	22	2	634
Office of Budget Management	237	45	25	257
Human Resources	154	37	27	164
Purchasing Division	296	84	20	360
Office of Chief Operating Officer	58	3	8	53
Printing Division	1,107	114	17	1,204
Office of Labor Relations	61	7	11	57
Health Insurance Division	58	28	24	62
Management Information System	7,467	504	21	7,950
Intergovernmental Relations	35	8	-	43
Law Department	318	30	53	295
Retirement Board	103	4	7	100
Environment Department	117	66	3	180
Worker's Compensation Division	89	30	-	119
Minority\Women's Business Ent.	37	8	11	34
City Clerk	84	13	5	92
Registry Division	55	23	6	72
Finance Commission	26	5	4	27
Boards and Commissions	4	-	-	4
Fair Housing Commission	152	26	19	159
Emergency Shelter Commission	41	11	-	52
Women's Commission	13	3	2	14
Press Office	24	1	-	25
Neighborhood Services	143	25	9	159
Office of Special Events/Tourism	56	7	5	58
Business and Cultural Development	22	43	12	53
Total General Government	18,891	2,119	824	20,186

(continued)

Exhibit G-3 (continued)

Schedule of Changes in General Fixed Assets by Function and Activity

Year Ended June 30, 1996

(in thousands)

Function and Activity	General Fixed Assets July 1, 1995	Additions	Deletions	General Fixed Assets June 30, 1996
<b>HUMAN SERVICES</b>				
Rent Equity Board	104	32	4	132
Elderly Commission	934	142	196	880
Veterans Services Department	74	15	-	89
Total Human Services	1,112	189	200	1,101
<b>PUBLIC SAFETY</b>				
Police Department	45,224	6,379	1,387	50,216
Fire Department	43,733	668	443	43,958
Transportation - Traffic Division	2,868	1,010	1,030	2,848
Transportation - Parking Clerk	64	1	-	65
Transportation Central Artery Tunnel	43	29	-	72
Licensing Board	38	-	-	38
Inspectional Services Department	1,472	380	364	1,488
Total Public Safety	93,442	8,467	3,224	98,685
<b>PUBLIC WORKS</b>				
Public Works Department	10,573	1,104	673	11,004
<b>PROPERTY AND DEVELOPMENT</b>				
Property Management	31,131	171	35	31,267
Public Facilities Department	13,021	2,404	453	14,972
PFD - Community Schools Division	1,165	56	60	1,161
Total Property and Development	45,317	2,631	548	47,400
<b>PARKS AND RECREATION</b>				
Parks and Recreation Department	6,331	543	104	6,770
<b>LIBRARY</b>				
Library Department	14,071	1,269	-	15,340
<b>SCHOOLS</b>				
General School Purposes	455,499	280	123	455,656
<b>COUNTY</b>				
Registry of Deeds	557	8	-	565
Suffolk County Jail	2,234	691	142	2,783
Suffolk County - House of Corrections	1,123	-	35	1,088
Total County	3,914	699	177	4,436
Total	649,150	17,301	5,873	660,578
Boston Redevelopment Authority	3,738	1	431	3,308
Total General Fixed Assets	\$ 652,888	\$ 17,302	\$ 6,304	\$ 663,886

# STATISTICAL SECTION

Includes ten-year data for revenues, expenditures, taxes, debt ratios and certain supplemental statistical information.





## **STATISTICAL INFORMATION**

Table-1

General Fund Expenditures by Function (GAAP Basis) <sup>(1)</sup>  
Last Ten Fiscal Years  
(in thousands )

<u>Function</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
<b>General Government</b>	\$ 44,060	\$ 35,342	\$ 35,595	\$ 35,886	\$ 38,825
% of Total	3.5	2.9	3.5	3.7	3.8
% Change	24.7	(0.7)	(0.8)	(7.6)	(12.0)
<b>Public Safety</b>	\$ 279,098	\$ 269,189	\$ 252,668	\$ 235,421	\$ 238,625
% of Total	21.9	22.3	24.7	24.0	23.6
% Change	3.7	6.5	7.3	(1.3)	1.4
<b>Public Works</b>	\$ 60,700	\$ 52,466	\$ 59,481	\$ 53,864	\$ 52,862
% of Total	4.8	4.3	5.8	5.5	5.2
% Change	15.7	(11.8)	10.4	1.9	(17.7)
<b>Libraries</b>	\$ 23,412	\$ 22,276	\$ 21,436	\$ 21,028	\$ 20,567
% of Total	1.8	1.9	2.1	2.1	2.0
% Change	5.1	3.9	1.9	2.2	(5.7)
<b>Schools</b>	\$ 453,572	\$ 422,359	\$ 405,372	\$ 370,832	\$ 387,438
% of Total	35.6	34.9	39.6	37.8	38.2
% Change	7.4	4.2	9.3	(4.3)	(2.2)
<b>Retirement Cost</b>	\$ 68,068	\$ 68,230	\$ 59,502	\$ 81,499	\$ 74,921
% of Total	5.3	5.6	5.8	8.3	7.4
% Change	(0.2)	14.7	(27.0)	8.8	(5.2)
<b>Employee Benefits</b>	\$ 67,989	\$ 66,348	\$ 71,175	\$ 68,216	\$ 66,366
% of Total	5.3	5.5	7.0	7.0	6.6
% Change	2.5	(6.8)	4.3	2.8	0.8
<b>State &amp; District Assessments</b>	\$ 61,600	\$ 60,080	\$ 58,272	\$ 55,163	\$ 52,407
% of Total	4.8	5.0	5.7	5.6	5.2
% Change	2.5	3.1	5.6	5.3	2.1
<b>County</b>	\$ 9,592	\$ 14,521	\$ 10,511	\$ 11,096	\$ 31,673
% of Total	0.8	1.2	1.0	1.1	3.1
% Change	(33.9)	38.2	(5.3)	(65.0)	3.1
<b>Property &amp; Development</b>	\$ 26,103	\$ 23,087	\$ 21,528	\$ 21,543	\$ 22,102
% of Total	2.0	1.9	2.1	2.2	2.2
% Change	13.1	7.2	(0.1)	(2.5)	(14.0)
<b>Other <sup>(2)</sup></b>	\$ 180,560	\$ 175,948	\$ 27,403	\$ 26,696	\$ 27,765
% of Total	14.2	14.5	2.7	2.7	2.7
% Change	2.6	542.1	2.6	(3.9)	(10.9)
<b>Total Expenditures</b>	\$ 1,274,754	\$ 1,209,846	\$ 1,022,943	\$ 981,244	\$ 1,013,551
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	5.4	18.3 <sup>(3)</sup>	4.2	(3.2)	(3.1)

(1) Includes General Fund expenditures only. Operating Transfers Out have been excluded from all years.

(2) Includes: Parks, Human Services, Judgments and Claims, Operating Subsidy to DH + H, Capital Outlays and Debt Service

(3) The 1995 increase of 18.3% is mainly due to the restatement of Operating Subsidy to DH + H from Other Financing Sources to Expenditures.

**City of Boston, Massachusetts**

	<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>Function</u>
\$	44,140	\$ 43,748	\$ 49,930	\$ 43,752	\$ 38,805	<b>General Government</b>
	4.2	4.3	5.0	4.7	4.7	% of Total
	0.9	(12.4)	14.1	12.7	10.4	% Change
\$	235,351	\$ 236,840	\$ 216,169	\$ 198,234	\$ 169,528	<b>Public Safety</b>
	22.5	23.4	21.9	21.2	20.7	% of Total
	(0.6)	9.6	9.0	16.9	27.1	% Change
\$	64,226	\$ 65,951	\$ 63,644	\$ 64,962	\$ 56,317	<b>Public Works</b>
	6.1	6.5	6.4	7.0	6.9	% of Total
	(2.6)	3.6	(2.0)	15.4	56.1	% Change
\$	21,814	\$ 21,898	\$ 21,459	\$ 20,155	\$ 17,688	<b>Libraries</b>
	2.1	2.2	2.2	2.2	2.2	% of Total
	(0.4)	2.0	6.5	13.9	34.5	% Change
\$	396,266	\$ 356,635	\$ 353,081	\$ 322,748	\$ 284,746	<b>Schools</b>
	37.9	35.3	35.7	34.5	34.8	% of Total
	11.1	1.0	9.4	13.3	4.6	% Change
\$	78,994	\$ 89,948	\$ 97,551	\$ 102,561	\$ 92,466	<b>Retirement Cost</b>
	7.6	8.9	9.9	11.0	11.3	% of Total
	(12.2)	(7.8)	(4.9)	10.9	7.9	% Change
\$	65,836	\$ 57,854	\$ 51,698	\$ 43,791	\$ 32,880	<b>Employee Benefits</b>
	6.3	5.7	5.2	4.7	4.0	% of Total
	13.8	11.9	18.1	33.2	11.3	% Change
\$	51,343	\$ 50,308	\$ 48,282	\$ 46,868	\$ 45,213	<b>State &amp; District Assessments</b>
	4.9	5.0	4.9	5.0	5.5	% of Total
	2.1	4.2	3.0	3.7	(0.8)	% Change
\$	30,728	\$ 27,090	\$ 23,434	\$ 25,867	\$ 22,187	<b>County</b>
	2.9	2.7	2.4	2.8	2.7	% of Total
	13.4	15.6	(9.4)	16.6	17.1	% Change
\$	25,700	\$ 27,746	\$ 27,556	\$ 21,890	\$ 19,140	<b>Property &amp; Development</b>
	2.5	2.7	2.8	2.3	2.3	% of Total
	(7.4)	0.7	25.9	14.4	30.8	% Change
\$	31,161	\$ 33,832	\$ 35,677	\$ 43,131	\$ 40,014	<b>Other <sup>(2)</sup></b>
	3.0	3.3	3.6	4.6	4.9	% of Total
	(7.9)	(5.2)	(17.3)	7.8	7.8	% Change
\$	<u>1,045,559</u>	\$ <u>1,011,850</u>	\$ <u>988,481</u>	\$ <u>933,959</u>	\$ <u>818,984</u>	<b>Total Expenditures</b>
	100.0	100.0	100.0	100.0	100.0	% of Total
	<u>3.3</u>	<u>2.4</u>	<u>5.8</u>	<u>14.0</u>	<u>13.5</u>	% Change



Table-2

**General Fund Revenues by Source (GAAP Basis) <sup>(1)</sup>**  
**Last Ten Fiscal Years**  
**(in thousands)**

<u>Source</u>	<u>1996</u>	<u>1995</u>	<u>1994</u>	<u>1993</u>	<u>1992</u>
<b>Property Taxes</b>	\$ 687,404	\$ 654,830	\$ 612,460	\$ 586,532	\$ 564,165
% of Total	53.4	53.8	53.2	53.0	51.1
% Change	5.0	6.9	4.4	4.0	6.4
<b>Motor Vehicle Excises</b>	\$ 27,641	\$ 24,476	\$ 21,704	\$ 30,146	\$ 18,972
% of Total	2.1	2.0	1.9	2.7	1.7
% Change	12.9	12.8	(28.0)	58.9	(0.3)
<b>Other Excises <sup>(2)</sup></b>	\$ 29,698	\$ 28,297	\$ 27,607	\$ 25,451	\$ 24,516
% of Total	2.3	2.3	2.4	2.3	2.2
% Change	5.0	2.5	8.5	3.8	(12.2)
<b>Departmental &amp; Other</b>	\$ 42,724	\$ 37,386	\$ 35,338	\$ 33,066	\$ 30,829
% of Total	3.3	3.1	3.1	3.0	2.8
% Change	14.3	5.8	6.9	7.3	(15.3)
<b>State Distributions</b>	\$ 360,020	\$ 346,317	\$ 331,431	\$ 305,908	\$ 327,330
% of Total	28.0	28.5	28.8	27.6	29.6
% Change	4.0	4.5	8.3	(6.5)	(11.5)
<b>Payment in Lieu of Taxes</b>	\$ 49,540	\$ 47,729	\$ 48,083	\$ 49,115	\$ 63,952
% of Total	3.8	3.9	4.2	4.5	5.8
% Change	3.8	(0.7)	(2.1)	(23.2)	24.5
<b>Fines</b>	\$ 47,373	\$ 50,086	\$ 47,252	\$ 51,157	\$ 48,724
% of Total	3.7	4.1	4.1	4.6	4.4
% Change	(5.4)	6.0	(7.6)	5.0	(6.8)
<b>Investment Income</b>	\$ 22,925	\$ 13,010	\$ 10,752	\$ 8,755	\$ 10,167
% of Total	1.8	1.1	0.9	0.8	0.9
% Change	76.2	21.0	22.8	(13.9)	(36.1)
<b>Licenses &amp; Permits</b>	\$ 19,970	\$ 15,152	\$ 16,839	\$ 16,353	\$ 16,057
% of Total	1.6	1.2	1.4	1.5	1.5
% Change	31.8	(10.0)	3.0	1.8	19.0
<b>Total Revenues</b>	\$ 1,287,295	\$ 1,217,283	\$ 1,151,466	\$ 1,106,483	\$ 1,104,712
% of Total	100.0	100.0	100.0	100.0	100.0
% Change	5.8	5.7	4.1	0.2	(1.0)

(1) Includes only revenues recorded in the General Fund. Operating Transfers In have been excluded from all years.

(2) Other excise taxes are comprised of hotel/motel and aircraft fuel excises taxes.

<u>1991</u>	<u>1990</u>	<u>1989</u>	<u>1988</u>	<u>1987</u>	<u>Source</u>
\$ 530,163	\$ 477,296	\$ 454,239	\$ 499,607	\$ 357,558	<b>Property Taxes</b>
47.5	42.7	41.6	45.3	39.1	% of Total
11.1	5.1	(9.1)	39.7	11.8	% Change
\$ 19,021	\$ 27,084	\$ 25,818	\$ 18,358	\$ 18,633	<b>M.V. Excise Taxes</b>
1.7	2.4	2.4	1.7	2.0	% of Total
(29.8)	4.9	40.6	(1.5)	33.9	% Change
\$ 27,920	\$ 21,050	\$ 26,541	\$ 24,575	\$ 23,688	<b>Other Excises <sup>(2)</sup></b>
2.5	1.9	2.4	2.2	2.6	% of Total
32.6	(20.7)	8.0	3.7	100.0	% Change
\$ 36,406	\$ 45,080	\$ 41,740	\$ 42,253	\$ 33,621	<b>Departmental &amp; Other</b>
3.3	4.0	3.8	3.8	3.7	% of Total
(19.2)	8.0	(1.2)	25.7	(5.7)	% Change
\$ 369,819	\$ 419,790	\$ 406,353	\$ 382,746	\$ 358,896	<b>State Distributions</b>
33.1	37.5	37.2	34.7	39.3	% of Total
(11.9)	3.3	6.2	6.6	16.7	% Change
\$ 51,377	\$ 53,557	\$ 50,373	\$ 51,788	\$ 46,632	<b>Payment in Lieu of Taxes</b>
4.6	4.8	4.6	4.7	5.1	% of Total
(4.1)	6.3	(2.7)	11.1	11.6	% Change
\$ 52,304	\$ 43,872	\$ 41,986	\$ 40,559	\$ 36,878	<b>Fines</b>
4.7	3.9	3.9	3.7	4.0	% of Total
19.2	4.5	3.5	10.0	8.7	% Change
\$ 15,902	\$ 16,918	\$ 25,429	\$ 22,870	\$ 20,215	<b>Investment Income</b>
1.4	1.5	2.3	2.1	2.2	% of Total
(6.0)	(33.5)	11.2	13.1	(5.2)	% Change
\$ 13,492	\$ 14,075	\$ 19,384	\$ 19,990	\$ 18,592	<b>Licenses &amp; Permits</b>
1.2	1.3	1.8	1.8	2.0	% of Total
(4.1)	(27.4)	(3.0)	7.5	4.3	% Change
<u>\$ 1,116,404</u>	<u>\$ 1,118,722</u>	<u>\$ 1,091,863</u>	<u>\$ 1,102,746</u>	<u>\$ 914,713</u>	<b>Total Revenues</b>
100.0	100.0	100.0	100.0	100.0	% of Total
(0.2)	2.5	(1.0)	20.6	13.1	% Change

**Table-3**  
**Property Tax Levies and Collections**  
 Last Ten Fiscal Years  
 (In Millions of \$)

Fiscal Year	Tax Levy			Tax Levy Collected Within Year of Levy			Tax Levy Net of Refunds Collected as of June 30			All Taxes Collected in Fiscal Year <sup>(1)</sup>	
	Gross <sup>(2)</sup>	Net	% Gross	Gross Amount	% Gross Levy	Net Levy	Gross Levy	% Gross Levy	Net Levy	Amount	Net Amount
1996	\$ 719.9	\$ 683.1	94.9%	\$ 695.6	96.6%	101.8%	\$ 693.6	96.3%	101.5%	\$ 692.2	\$ 692.2
1995	693.4	658.5	95.0%	666.7	96.1%	101.2%	660.8	95.3%	100.3%	678.6	678.6
1994	663.0	628.0	94.7%	631.9	95.3%	100.6%	624.2	94.1%	99.4%	632.4	632.4
1993	627.4	593.4	94.6%	594.3	94.7%	100.2%	583.8	93.1%	98.4%	607.8	607.8
1992	587.0	559.2	95.3%	554.1	94.4%	99.1%	535.9	91.3%	95.8%	558.5	558.5
1991	555.6	529.2	95.2%	517.8	93.2%	97.8%	495.2	89.1%	93.6%	527.4	527.4
1990	521.0	495.0	95.0%	487.1	93.5%	98.4%	475.4	91.2%	96.0%	486.4	486.4
1989	484.5	460.2	95.0%	456.2	94.2%	99.1%	441.1	91.0%	95.8%	430.5	430.5
1988	452.5	425.6	94.1%	422.4	93.3%	99.2%	415.2	91.8%	97.6%	437.3	437.3
1987	422.5	394.6	93.4%	407.1	96.4%	103.2%	384.1	90.9%	97.3%	612.3	612.3

(1) Includes the total amount of taxes (current levy, prior levies, and tax titles), net of refunds, collected during each fiscal year since 1987.

(2) Includes omitted assessments assessed in all fiscal years, and assessments for delinquent water and sewer bills of \$3.4 million, \$2.7 million, \$2.3 million and \$ 3.6 million added to tax levy in fiscal years 1995, 1994, 1993 and 1992, respectively. Water and sewer bills are rendered by the Boston Water and Sewer Commission; commencing in fiscal year 1992 certain delinquent charges were added to City tax bills.

Source: City of Boston Treasury Department

**Table-4**  
**Assessed and Estimated Market Value of All Taxable Property**  
 (in thousands)  
 Last Ten Fiscal Years

Fiscal Year	Real Property <sup>(1)</sup>		Personal Property		Total Assessed Value <sup>(2)</sup>	Per Capita	Population <sup>(3)</sup>
	Assessed Value	Per Capita	Assessed Value	Per Capita			
1996	\$ 25,432,925	\$ 46,434	\$ 2,086,187	\$ 3,809	\$ 27,519,112	\$ 50,243	548
1995	24,216,973	42,169	2,062,605	3,592	26,279,578	45,761	574
1994	23,215,458	40,425	1,809,288	3,151	25,024,746	43,576	574
1993	23,769,097	41,389	1,744,726	3,038	25,513,823	44,427	574
1992	26,338,862	45,864	1,519,099	2,645	27,857,961	48,509	574
1991	32,828,943	57,165	1,336,554	2,327	34,165,497	59,492	574
1990	32,449,287	56,157	1,223,936	2,118	33,673,223	58,275	578
1989	32,126,544	55,599	1,205,971	2,087	33,332,515	57,686	578
1988	26,264,874	45,454	1,746,615	3,023	28,011,489	48,477	578
1987	21,775,402	37,963	1,734,252	3,023	23,509,654	40,986	574

(1) Exempt residential properties not included.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(3) Population estimates are from Bureau of the Census.

Source: City of Boston Assessing Department



Table-5

Property Tax Rates  
Direct and Overlapping Governments <sup>(1)</sup>  
Last Ten Fiscal Years

Fiscal Year	Class	Schools	City General	Total	% Change
1996	Residential	-	\$ 13.78	\$ 13.78	(0.6) %
	C.I.P.	-	42.59	42.59	(0.2) %
1995	Residential	-	13.86	13.86	(0.8) %
	C.I.P.	-	42.66	42.66	(0.1) %
1994	Residential	-	13.97	13.97	8.5 %
	C.I.P.	-	42.72	42.72	6.8 %
1993 <sup>(2)</sup>	Residential	-	12.88	12.88	15.2 %
	C.I.P.	-	39.99	39.99	16.7 %
1992	Residential	\$ 5.97	5.21	11.18	25.2 %
	C.I.P.	18.30	15.97	34.27	36.6 %
1991	Residential	4.00	4.93	8.93	5.7 %
	C.I.P.	15.00	10.09	25.09	4.9 %
1990	Residential	4.63	3.82	8.45	6.0 %
	C.I.P.	13.09	10.82	23.91	6.6 %
1989	Residential	4.32	3.65	7.97	(26.0) %
	C.I.P.	12.16	10.28	22.44	3.6 %
1988	Residential	5.87	4.90	10.77	(10.4) %
	C.I.P.	11.80	9.86	21.66	(8.0) %
1987	Residential	5.87	6.15	12.02	(10.7) %
	C.I.P.	11.49	12.06	23.55	(8.9) %

(1) Real and personal property tax rates are per \$1,000 of assessed value.

(2) Beginning with Fiscal Year 1993 City and Schools rates are combined.

C.I.P. = Commercial, Industrial and Personal Property.

Source: City of Boston Assessing Department

Table-6

**Ratio of General Obligation Bonded Debt to Assessed Value  
and Net Bonded Debt Per Capita**  
(in thousands)  
Last Ten Fiscal Years

Fiscal Year	Population <sup>(1)</sup>	Assessed Value <sup>(2)(a)</sup>	Gross Bonded Debt <sup>(3)</sup>	Less: Self- Supporting Debt	Less: Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
1996	548	\$ 27,519,112	\$ 566,745	\$ 200	-	\$ 566,545	2.1%	\$ 1,033.8
1995	574	26,279,578	545,355	335	- <sup>(5)</sup>	545,020	2.1%	949.5
1994	574	25,024,740	528,660	530	\$ 4,446	523,684	2.1%	912.3
1993	574	25,513,823	524,480	5,050	4,680	514,750	2.0%	896.8
1992	574	27,857,962	566,225	6,680	5,948	553,597	2.0%	964.5
1991	574	34,165,497	548,690	8,920	7,790	531,980	1.6%	926.8
1990	578	33,673,223	516,324	9,519 <sup>(4)</sup>	54,468	452,337	1.3%	782.6
1989	578	33,332,516	506,504	40,309	87,934	378,261	1.1%	654.4
1988	578	28,011,489	455,579	46,249	114,709	294,621	1.1%	509.7
1987	574	23,509,654	510,833	51,354	105,610	353,869	1.5%	616.5

(1) Population estimates are from Bureau of the Census.

(2) The assessed valuation of taxable property reflects 100% of the full and fair cash value.

(2a) Exempt residential properties not included.

(3) Self-supporting proprietary debt and certain notes payable are not included.

(4) The Funding Loan Act of 1982 Bonds which were outstanding as of June 30, 1989, in the amount of \$30.2 million were redeemed in full on July 1, 1989.

(5) The Debt Service Fund at the end of Fiscal Year 1995 was eliminated by a transfer to the General Fund of funds earmarked to extinguish the Rapid Transit Debt in Fiscal Year 1996.

Table-7

**Computation of Legal Debt Margin**  
(in thousands)  
June 30, 1996

Equalized Valuation as of January 1, 1995 <sup>(1)</sup> .....		29,763,079
	2.5%	5.0%
Maximum debt limits as of July 1, 1995.....	\$ 744,077	\$ 1,488,154
Less: Debt outstanding June 30, 1995 <sup>(2)</sup> .....	377,328	377,328
Less: Debt authorized but unissued June 30, 1995 <sup>(3)</sup> .....	288,979	288,979
Debt incurring capacity as of July 1, 1995.....	77,770	821,847
Add: Debt redeemed during fiscal 1996.....	30,479	30,479
Add: Bond Proceeds Transfer during fiscal 1996.....	3,156	3,156
Less: City council authorizations during fiscal 1996.....	67,850	67,850
Debt incurring capacity as of June 30, 1996.....	\$ 43,555	\$ 787,632

- (1) Includes the value of Chapter 121A tax agreement properties.
- (2) The laws of the Commonwealth of Massachusetts provide for general debt limits for the City, consisting of a Normal Debt Limit and a Double Debt Limit. The Normal Debt Limit is 2.5% of the assessed valuation of taxable property in the City as last equalized by the State Department of Revenue, and may authorize debt up to this limit without State approval. The City can also authorize debt up to twice this amount (the Double Debt Limit) with the approval of the State Emergency Finance Board.
- (3) The debt authorized but unissued as of June 30, 1995 and City Council authorizations during fiscal 1996 are reported for purposes of the computation of legal debt margin within the Normal Debt Limit.

**Table-8**

**Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonds**  
(in thousands)  
June 30, 1996

<b>Boston's Direct Debt</b>	<b>Gross Bonded Debt <sup>(1)</sup></b>	<b>Payable from Related Revenues <sup>(2)</sup></b>	<b>Net Bonded Debt</b>
Issued for the Purpose of:			
Acquisition of Land; Parks/Playgrounds..	\$ 34,624	\$ -	\$ 34,624
Automatic Traffic Control Signals.....	3,255	-	3,255
Departmental Equipment.....	19,888	-	19,888
Remodeling and Repairs.....	117,216	26,465	90,751
Suffolk County.....	2,791	810	1,981
Economic Development.....	11,291	-	11,291
Parking Facilities.....	3,741	-	3,741
State Urban Development - Relocation....	36,522	-	36,522
Schools.....	145,661	103,357	42,304
Public Buildings.....	102,385	-	102,385
Public Works.....	88,838	-	88,838
Acquisition of Land; Cemeteries.....	333	333	-
Sewer.....	200	200	-
Water.....	0	0	-
Rapid Transit.....	0	0	-
<b>Total Direct Debt.....</b>	<b>\$ 566,745</b>	<b>\$ 131,165</b>	<b>435,580</b>
<b>Overlapping Debt</b>	<b>Principal Amount</b>	<b>% Applicable to Boston</b>	
Mass. Bay Transportation Authority.....	\$ 294,210	42.58%	125,275
<b>Total Direct and Overlapping Debt.....</b>			<b>\$ 560,855</b>

(1) Self-supporting proprietary debt and certain notes payable are not included.

(2) Includes revenues related to or derived from facilities for which the debt was incurred. Such revenues include: (i) payments from the State for debt service on bonds issued for Suffolk County Courthouse buildings; (ii) state grants for school construction assistance pursuant to the State's Construction Aid Project; (iii) cemetery receipts; which are currently collected in the General Fund; (iv) payments from the Boston Water and Sewer Commission for debt service on outstanding sewer bonds.

Source: City of Boston Auditing Department and MBTA Treasurer-Controller.



Table-9

**Ratio of Annual Debt Service Expenditures for  
General Bonded Debt to Total General Fund Expenditures (1)**

Last Ten Fiscal Years

(GAAP Basis)

(in thousands)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total <sup>(2)</sup> General Fund Expenditures</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
1996	\$ 53,595	\$ 32,189	\$ 85,784	\$ 1,274,754	6.7%
1995	53,291	29,305	82,596	1,209,846	6.8%
1994	57,410	31,861	89,271	1,022,943	8.7%
1993	53,585	34,463	88,048	981,244	9.0%
1992	53,180	32,812	85,992	1,013,551	8.5%
1991	50,579	32,317	82,896	1,045,559	7.9%
1990	81,034	29,444	110,478	1,011,850	10.9%
1989	67,872	33,061	100,933	988,481	10.2%
1988	50,702	35,035	85,737	933,959	9.2%
1987	48,624	37,357	85,981	818,984	10.5%

(1) Total principal and interest payments by the City is exclusive of Other Financing Sources.

(2) Operating Transfers Out have been excluded from all years.

**Table-10**  
**Largest Taxpayers <sup>(1)</sup>**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Personal Property</u>	<u>Real Property</u>	<u>Total Assessed Value</u>	<u>% of Total Assessed Value</u>	<u>Fiscal 1996 Taxes</u>
Boston Edison Company <sup>(2)</sup>	Utility	\$ 817,515,700	\$ 121,565,121	\$ 939,080,821	3.4%	\$ 40,052,678
Prudential Insurance Company <sup>(3)</sup>	Insurance		577,213,500	577,213,500	2.1%	18,712,071
New England Telephone & Telegraph (NYNEX)	Utility	269,202,800	109,123,300	378,326,100	1.4%	15,875,440
John Hancock Mutual Life Insurance Co.	Insurance		367,215,993	367,215,993	1.3%	15,509,757
Fort Hill Associates	Real Estate		301,879,700	301,879,700	1.1%	12,857,056
Massport <sup>(4)</sup>	State Authority		507,562,500	507,562,500	1.8%	9,832,617
125 High Street	Real Estate		187,961,500	187,961,500	0.7%	8,005,280
Olympia & York State Street Co.	Real Estate		184,417,000	184,417,000	0.7%	7,854,320
Dewey Square Tower Associates	Real Estate		181,279,000	181,279,000	0.7%	7,720,673
UIDC of Massachusetts, Inc.	Real Estate		179,214,500	179,214,500	0.7%	7,632,746
Equitable Federal Street Realty Co.	Real Estate		164,871,000	164,871,000	0.6%	7,021,856
Beacon Properties	Real Estate		160,951,500	160,951,500	0.6%	6,854,924
Boston Gas Co.	Utility	124,842,600	20,323,500	145,166,100	0.5%	6,191,363
One Federal Street	Real Estate		134,917,000	134,917,000	0.5%	5,746,115
75 State Street	Real Estate		129,310,000	129,310,000	0.5%	5,507,313
Ronald M. Druker Trust	Real Estate		125,571,900	125,571,900	0.6%	5,260,568
		<u>\$ 1,211,561,100</u>	<u>\$ 3,453,377,014</u>	<u>\$ 4,664,938,114</u>	<u>17.1%</u>	<u>\$ 180,634,777</u>

(1) This table is compiled through a literal search of the named owner or owners of all major parcels of property in the City. This methodology does not necessarily locate parcels owned by affiliates nor does it differentiate percentage of ownership in a particular parcel.

(2) See " Sources of City Revenue-Property Taxes- Major Abatement Cases and Settlements."

(3) Includes \$6,176,833 in-lieu-of tax payment received from a taxpayer constituted as an urban redevelopment corporation organized under Chapter 121A of the Massachusetts General Laws.

(3) This payment is an in-lieu-of tax payment, expressly permitted by statute and paid pursuant to a contract with the City. The City recently negotiated a new ten-year contract with Massport which increases the obligation by more than sixty-percent.

Source: City of Boston Assessing and Treasury Departments.

Table 11

**Boston's Largest Private Sector Employers**

<u>Employer</u>	<u>Employer</u>
American Airlines, Inc.	Harvard Pilgrim Health Care
Au Bon Pain Co., Inc.	John Hancock Mutual Life Insurance
Affiliated Publications Inc./Globe News	The Gillette Company
Bank of Boston Corp.	Liberty Mutual Fire Insurance Co.
Beth Israel Corp.	Massachusetts Eye & Ear Infirmary
Blue Cross & Blue Shield of Massachusetts	New England Deaconess Hospital Corp.
Boston Edison Company	New England Mutual Life Insurance Co.
Boston Medical Center	New England Baptist Health Care Corp.
Boston University	New England Medical Center Hospital
Brigham and Women's Hospital Inc.	NYNEX
Carney Hospital Inc.	Northeastern University
Children's Hospital Medical Center	Putnam Companies Inc.
Dana-Farber Cancer Institute	St. Elizabeth's Hospital of Boston Inc.
Faulkner Corp.	State Street Boston Corp.
Federal Reserve Bank of Boston	Stone + Webber Engineering Corp.
Filene's	Teradyne, Inc.
Fleet Bank of Massachusetts NA	Thompson Financial Services
FMR Corporation (Fidelity Investments)	USAir, Inc.
General Hospital Corp. (Mass. General)	Visiting Nurses Association of Boston

The largest private sector employers in the City of Boston as of 1996, listed alphabetically.

Source: Survey by BRA/EDIC, conducted in Summer of 1996.

Table-12

**Comparative Office Vacancy Rates**  
**20 Largest Downtown Office Markets**  
 As of March 31, 1996

City	Vacancy Rate	City	Vacancy Rate
San Francisco	7.0 %	Denver	15.6 %
Seattle	7.0	Phoenix	15.7
Boston	9.9	Chicago	17.1
Minneapolis - St. Paul	10.4	Cleveland	18.4
Washington, D.C.	10.4	Detroit	21.2
Manhattan, Midtown	11.2	Manhattan, Downtown	21.3
Cincinnati	14.1	Baltimore	21.7
Kansas City	14.3	Houston	21.9
Atlanta	14.5	Los Angeles	22.7
Philadelphia	14.7	Dallas	36.4

National Average <sup>(1)</sup> 15.0%

(1) National average is based on 45 U.S. cities from the CB Commercial Office Vacancy Index.

Source: CB Commercial Office Vacancy Index and the Boston Redevelopment Authority.



Table-13

**Building Permit Revenue and Estimated Construction Activity**

(in thousands)

Last Ten Fiscal Years

Fiscal Year	Building Permit Revenue <sup>(1)</sup>	Est. Potential Construction Activity <sup>(2)</sup>	Est. Potential Construction Activity Adjusted For Inflation <sup>(3)</sup>
1996	\$ 11,778	\$ 1,385,606	\$ 1,385,606
1995	7,629	897,576	921,435
1994	9,040	1,063,523	1,123,070
1993	8,832	1,039,097	1,109,556
1992	9,136	1,074,848	1,191,663
1991	6,689	786,986	887,685
1990	8,120	955,234	1,139,257
1989	11,424	1,343,934	1,689,815
1988	14,431	1,697,785	2,292,929
1987	13,504	1,588,722	2,248,610
Total	\$ <u>100,583</u>	\$ <u>11,833,311</u>	\$ <u>13,989,626</u>
Annual Average	\$ <u>10,058</u>	\$ <u>1,183,331</u>	\$ <u>1,398,963</u>

(1) Building permit revenue in current dollars.

(2) Construction activity estimated by dividing permit revenues by 0.85%, which is the midpoint between permit fees calculated at 0.7% of the first \$100,000 and 1% for the remainder of development cost.

(3) Estimated construction activity adjusted to January 1996 constant dollars (CPI-U).

Source: Boston Redevelopment Authority and City of Boston Auditing Department.

Table-14

**Employment Trends by Industry**  
Last Five Fiscal Years

Industry	1991	1992	1993	% Change 1991-1993	1994	1995	% Change 1994-1995
Fishing, Mining, Agriculture	1,038	1,012	1,048	1.0%	1,132	891	-21.3%
Construction	10,900	10,230	10,821	-0.7%	11,826	12,577	6.4%
Manufacturing	30,219	28,140	28,823	-4.6%	29,479	28,709	-2.6%
Transportation/Comm./Utilities	34,343	35,430	35,368	3.0%	35,944	35,739	-0.6%
Retail and Wholesale Trade	73,615	72,555	71,301	-3.1%	74,928	76,849	2.6%
Finance/Insurance/Real Estate	88,109	84,605	85,488	-3.0%	89,916	90,764	0.9%
Services	249,091	252,508	258,921	3.9%	264,726	272,321	2.9%
Government	98,532	94,492	97,154	-1.4%	96,231	97,865	1.7%
Total	585,847	578,972	588,924	0.5%	604,182	615,715	1.9%

Figures for 1991 to 1994 are based on U.S. Bureau of Economic Analysis Series for Suffolk County, (June 1996, Revised Series (BEA Series), pro-rated to Boston geography. Data for 1995 is based on Massachusetts Department of Employment and Training data adjusted to BEA Series.

Source: Boston Redevelopment Authority and Massachusetts Department of Employment and Training.



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Table-15

## Annual Unemployment Rates

	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>May (1)</u>	
										<u>1995</u>	<u>1996</u>
City	3.2 %	3.4 %	3.9 %	5.6 %	8.4 %	8.0 %	6.6 %	5.8 %	5.4 %	4.9 %	4.9 %
Boston PMSA <sup>(2)</sup>	2.7	2.8	3.4	5.3	7.8	7.5	6.0	5.2	4.7	4.4	3.9
Massachusetts	3.2	3.3	4.0	6.0	9.1	8.6	6.9	6.0	5.4	5.0	4.5
New England	3.4	3.1	3.8	5.7	8.0	8.1	6.8	5.9	5.4	4.8	4.9
United States	6.2	5.5	5.3	5.6	6.8	7.5	6.9	6.1	5.6	5.5	5.4

(1) Monthly rates are not seasonally adjusted.

(2) Primary Metropolitan Statistical Area.

Sources: U.S. Bureau of Labor Statistics and Massachusetts Division of Employment and Training.



Table-16

**Direct Debt Outstanding**  
Year Ended June 30, 1996

	Balance June 30, 1995		Fiscal 1996 General Obligation Bonds Issuance Principal
	Principal	Interest	Principal
<b><u>General Purpose</u></b>			
Auditorium.....	\$ 5,000	\$ 94	\$ -
Acquisition of Land, Parks and Playgrounds....	33,045,180	13,212,614	4,195,000
Automatic Traffic Control Signals.....	2,734,368	1,065,999	700,000
Departmental Equipment.....	21,518,766	3,896,073	2,815,000
New City Hall.....	1,380,000	88,725	-
Economic Development and Industrial Corp.....	12,147,164	5,569,240	-
Remodeling and Extraordinary Repairs.....	203,743,870	91,657,928	25,815,000
Total General Purpose	<u>274,574,348</u>	<u>115,490,673</u>	<u>33,525,000</u>
<b><u>School Buildings</u></b>			
Capital Improvements; Acts of 1966.....	1,435,000	229,326	-
Capital Improvements; Acts of 1973.....	7,229,882	1,937,885	-
Capital Improvements; Acts of 1991.....	-	-	5,330,000
School Project Loan; Act of 1948.....	41,502,046	10,945,518	-
Total School Buildings	<u>50,166,928</u>	<u>13,112,729</u>	<u>5,330,000</u>
<b><u>Other Public Buildings</u></b>			
Capital Improvements; Acts of 1966.....	1,464,659	396,559	-
Capital Improvements; Acts of 1973.....	50,283,705	21,728,058	1,550,000
Capital Improvements; Acts of 1991.....	2,870,000	1,932,705	15,320,000
Construction of Buildings; Acq. of Land.....	28,794,570	13,901,746	10,610,000
Total Other Public Buildings	<u>83,412,934</u>	<u>37,959,068</u>	<u>27,480,000</u>
<b><u>Public Works</u></b>			
Bridges.....	12,887,637	6,278,021	1,450,000
Public Ways.....	49,338,720	21,026,514	4,770,000
Sidewalks.....	17,167,977	4,372,124	1,220,000
Street Lighting.....	7,860,743	3,249,003	1,095,000
Total Public Works	<u>87,255,077</u>	<u>34,925,662</u>	<u>8,535,000</u>
<b><u>Other</u></b>			
Urban Redevelopment and Relocation.....	44,885,914	16,775,103	130,000
Parking Facilities.....	4,724,799	753,908	-
Water Mains and Meters.....	65,000	3,362	-
Sewerage Loan.....	250,000	43,125	-
Rapid Transit Loans.....	20,000	224	-
Total Other	<u>49,945,713</u>	<u>17,575,722</u>	<u>130,000</u>
Total All Categories	<u>\$ 545,355,000</u>	<u>\$ 219,063,854</u>	<u>\$ 75,000,000</u>

Note: Self-supporting proprietary debt is not included.

**City of Boston, Massachusetts**

Fiscal 1996					
General					
Obligation					
Bonds					
Issuance					
Interest	Fiscal 1996 Payments		Balance June 30, 1996		
	Principal	Interest	Principal	Interest	
\$	- \$	5,000 \$	94 \$	- \$	-
1,684,593	2,283,042	1,970,241	34,957,138	12,926,966	
292,195	179,535	159,453	3,254,833	1,198,741	
806,540	4,446,114	1,192,389	19,887,652	3,510,224	
-	580,000	48,825	800,000	39,900	
-	856,687	627,526	11,290,477	4,941,714	
13,498,143	14,224,092	12,068,549	215,334,778	93,087,522	
<u>16,281,471</u>	<u>22,574,470</u>	<u>16,067,077</u>	<u>285,524,878</u>	<u>115,705,067</u>	
-	305,000	79,571	1,130,000	149,755	
-	869,045	402,101	6,360,837	1,535,784	
2,785,748	-	129,449	5,330,000	2,656,299	
-	9,207,434	2,395,928	32,294,612	8,549,590	
<u>2,785,748</u>	<u>10,381,479</u>	<u>3,007,049</u>	<u>45,115,449</u>	<u>12,891,428</u>	
-	239,021	82,025	1,225,638	314,534	
695,491	4,219,870	2,951,791	47,613,835	19,471,758	
8,006,045	84,029	456,855	18,105,971	9,481,895	
5,545,765	1,954,266	1,835,395	37,450,304	17,612,116	
<u>14,247,301</u>	<u>6,497,186</u>	<u>5,326,066</u>	<u>104,395,748</u>	<u>46,880,303</u>	
873,392	812,056	744,881	13,525,581	6,406,532	
2,494,152	3,605,876	2,852,537	50,502,844	20,668,129	
349,491	2,002,349	975,730	16,385,628	3,745,885	
457,489	971,887	468,036	7,983,856	3,238,456	
<u>4,174,524</u>	<u>7,392,168</u>	<u>5,041,184</u>	<u>88,397,909</u>	<u>34,059,002</u>	
68,231	5,646,278	2,473,352	39,369,636	14,369,982	
-	983,419	275,467	3,741,380	478,441	
-	65,000	3,362	-	-	
-	50,000	15,525	200,000	27,600	
-	20,000	224	-	-	
<u>68,231</u>	<u>6,764,697</u>	<u>2,767,930</u>	<u>43,311,016</u>	<u>14,876,023</u>	
<u>\$ 37,557,275</u>	<u>\$ 53,610,000</u>	<u>\$ 32,209,306</u>	<u>\$ 566,745,000</u>	<u>\$ 224,411,823</u>	

Table-17

Authorized and Unissued Debt

(in thousands)

Balance June 30, 1995.....	\$ 414,452
Add: City Council Authorizations.....	211,588
Deduct: Bond Proceeds Transfers.....	3,156
Deduct: October 1995 G.O. Bond Issuance.....	75,000
Balance June 30, 1996.....	<u>\$ 547,884</u>

<u>City Council Authorizations:</u>	<u>Date</u>	<u>Amount</u>	<u>Authorization</u>
Construction of Buildings - Police, Parks and Various Departments.....	7/01/96	\$ 3,775	C44 s7 (3)
Construction of Bridges.....	6/25/96	\$ 21,735	C44 s7 (4)
Construction of Buildings - Police, Parks and Various Departments.....	7/30/96	\$ 6,040	C44 s7 (3)
Acquisition of Land; Historic Cemeteries.....	6/25/96	\$ 1,065	C44 s7 (20)
Departmental Equipment - Various Departments.....	6/25/96	\$ 4,595	C44 s7 (9)
Acquisition of Land; Parks & Playgrounds Outdoor Facilities.....	6/25/96	\$ 9,530	C44 s7 (25)
Automatic Traffic Control Signals and Public Lighting.....	6/25/96	\$ 5,610	C44 s7 (14)
Engineering and Architectural Services.....	6/25/96	\$ 560	C44 s7 (22)
Acquisition of Land: Landfill Area			
Closing, Opening or Making Improvements to.....	6/25/96	\$ 715	C44 s7 (24)
Construction of Public Ways.....	6/25/96	\$ 10,860	C44 s7 (5)
Computer Hardware & Other Equipment.....	6/25/96	\$ 3,060	C44 s7 (28)
Computer Software.....	6/25/96	\$ 1,020	C44 s7 (29)
Capital Improvements - Act of '91: Various Departments.....	6/25/96	\$ 13,097	C642 s7b Act of '66 as inserted by: C107 s1 Act of '91
Capital Improvements - Act of '91: Various Departments.....	7/30/96	\$ 993	C642 s7b Act of '66 as inserted by: C107 s1 Act of '91
Capital Improvements - Act of '96: Various Departments.....	6/25/96	\$ 31,530	C642 s7b Act of '66 as inserted by: C151 s501 Act of '96
Capital Improvements - Act of '96: Various Departments.....	7/30/96	\$ 500	C642 s7b Act of '66 as inserted by: C151 s501 Act of '96
Capital Improvements - Act of '96: Various Departments.....	8/26/96	\$ 6,473	C642 s7b Act of '66 as inserted by: C151 s501 Act of '96
Capital Improvements - Act of '96: Boston City Hospital Campus.....	8/26/96	\$ 25,000	C642 s7b Act of '66 as inserted by: C151 s501 Act of '96
Urban Renewal - All Urban Renewal Areas.....	6/25/96	\$ 8,290	C121B s20
School Project Loan, Act '48.....	7/30/96	\$ 57,140	C645, s8, Act of '48

Table - 18

## Property Value, Construction, Bank Deposits and Retail Sales

Last Ten Fiscal Years

(in thousands )

Fiscal Year	Assessed Property Value <sup>(1)</sup>			Building Permit Revenues <sup>(2)</sup>	Bank Deposits <sup>(3)</sup>	Retail Sales <sup>(4)</sup> (In Millions of \$)
	Residential <sup>(a)</sup>	Commercial, Industrial & Personal	Total			
1996	\$ 15,709,935	\$ 11,809,177	\$ 27,519,112	\$ 11,778	\$ N/A	\$ 33,906 *
1995	14,970,450	11,309,128	26,279,578	7,629	33,339,513	34,185
1994	14,219,593	10,805,147	25,024,740	9,040	32,211,722	33,942
1993	14,593,960	10,919,863	25,513,823	8,832	32,085,774	31,309
1992	16,086,355	11,771,607	27,857,962	9,136	33,761,555	29,701
1991	18,696,975	15,468,522	34,165,497	6,689	36,701,266	28,430
1990	18,489,546	15,183,677	33,673,223	8,119	40,590,819	28,343
1989	18,262,348	15,070,168	33,332,516	11,423	42,505,169	29,006
1988	14,219,976	13,791,513	28,011,489	14,431	43,490,515	28,743
1987	11,425,509	12,084,145	23,509,654	13,504	38,901,474	N/A

\* Preliminary

(1) Source: City of Boston Assessing Department

(2) Source: City of Boston Auditing Department

(3) Source: Federal Reserve Bank / FDIC "Databook Operating Banks + Branches"

(4) Source: U.S. Department of Commerce, Bureau of the Census, "Current Business Reports:  
Monthly Retail Trade Data is for the five counties in metropolitan Boston: Essex, Middlesex,  
Norfolk, Plymouth and Suffolk.

(a) Note: Exempt residential properties not included.

N/A: not available.



Table-19

GENERAL INFORMATION

CITY GOVERNMENT

Date of incorporation.....	1822
Present charter first adopted.....	1909
Form of government.....	Mayor / City Council

GEOGRAPHICAL DATA

Altitude.....	28 feet above sea level
Area (square miles):	
Land.....	43.2
Water.....	2.2
Climate:	
Annual average.....	59.5
August 1995 average high.....	81.5
August 1995 average low.....	64.1
March 1996 average high.....	44.1
March 1996 average low.....	28.9
Rainfall in inches as of Mar. 1996...	39.1

ELECTIONS

Registered voters as of Mar. 1996.....	209,260
% voted in last general election.....	13.25%

CITY EMPLOYEES

Total number of employees.....	15,536
City and county.....	8,126
School department.....	7,410

FIRE PROTECTION

Officers and personnel.....	1,711
Stations.....	34
Calls answered.....	59,826
Inspections conducted.....	7,870

POLICE PROTECTION

Officers and personnel.....	2,876
Stations.....	11
Calls answered.....	456,204
Moving Violations.....	50,839
Traffic violations.....	55,298
Parking violations.....	1,584,000

HOSPITALS

Number of hospitals.....	28
Patient beds.....	7,675
Births as of June 12, 1996.....	7,467
Deaths as of June 12, 1996.....	3,811

LIBRARY

Personnel full-time.....	505
Personnel part-time.....	125
Central and branch libraries.....	26
Mobile units.....	1
Books, audio and video materials, newspapers and magazines in circulation.....	2,195,244
Library cards in force.....	577,119

PUBLIC EDUCATION

Student enrollment.....	62,728
Teachers and other certified employees.....	7,401
Total number of schools.....	123

STREETS, SIDEWALKS AND BRIDGES

Streets paved in miles.....	784
Sidewalks in miles.....	1,500
Traffic signals.....	785
Parking meters.....	7,656
Bridges.....	4

PARKS AND RECREATION

Personnel.....	258
Major parks.....	4
Neighborhood and community parks.....	11
Neighborhood playgrounds.....	192
Community recreation centers.....	36
Golf courses.....	2
Swimming pools.....	19
Tennis courts.....	15

BOSTON LOGAN AIRPORT

Acreage.....	2,400
Miles of runway.....	7
Miles of taxiway.....	14
Domestic and international airlines.....	33
Passengers served (approximately).....	24.2 million















